DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Parts 3, 6, 8, 15, and 19

[Docket ID OCC–2025–0372]

RIN 1557–AF41

Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Final rule.

SUMMARY: The Office of the Comptroller of the Currency (OCC) is issuing regulations implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act regarding the issuance of payment stablecoins and certain related activities by entities subject to the OCC's jurisdiction.

DATES: The final rule is effective on January 18, 2027.

FOR FURTHER INFORMATION CONTACT: Sarah Turney, Assistant Director, Henry Barkhausen, Special Counsel, Kevin Korzeniewski, Special Counsel, Mark O'Horo, Special Counsel, Daniel Borman, Counsel, or Collin Berger, Attorney, Chief Counsel's Office, 202–649–5490, Office of the Comptroller of the Currency, 400 7th Street SW, Washington, DC 20219. If you are deaf, hard of hearing, or have a speech disability, please dial 7–1–1 to access telecommunications relay services.

SUPPLEMENTARY INFORMATION:

I. Background and Summary of the Final Rule

The Guiding and Establishing National Innovation for U.S. Stablecoins Act (12 U.S.C. 5901 *et seq.*) (GENIUS Act or the Act) was enacted on July 18, 2025. The Act establishes a regulatory framework for payment stablecoin activities.[1] Stablecoins are digital assets, *i.e.,* digital representations of value recorded on a cryptographically secured distributed ledger,[2] such as a blockchain.[3] The Act sets forth various regulatory and licensing requirements for permitted payment stablecoin issuers and foreign payment stablecoin issuers. In many instances, the Act states that the specific requirements applicable to these entities (*e.g.,* those related to capital, liquidity, or operational risk management) will be established by regulations issued by the relevant primary Federal payment stablecoin regulator, in coordination with other relevant agencies, as appropriate.[4] On March 2, 2026, the OCC issued a notice of proposed rulemaking (proposal or proposed rule) proposing, and seeking comment on, the regulations that would apply to permitted payment stablecoin issuers and foreign payment stablecoin issuers under the OCC's jurisdiction (including subsidiaries of insured national banks or Federal savings associations, Federal qualified payment stablecoin issuers, certain nonbank State qualified payment stablecoin issuers, and foreign payment stablecoin issuers) as well as certain custody activities conducted by OCC-supervised entities.[5]

The OCC received approximately 328 comments in response to the proposal from a wide variety of commenters, including crypto-focused companies, trade groups, banks, non-profit organizations, academics, and individuals.[6] Commenters had diverging views on several of the proposal's key provisions. The final rule addresses these comments, as discussed below.

However, as discussed in the proposal, the OCC anticipates that these implementing regulations will be updated, as necessary, in the years following the effective date of the GENIUS Act as the business practices of permitted payment stablecoin issuers and foreign payment stablecoin issuers continue to evolve and develop and the OCC gains experience regulating and supervising permitted payment stablecoin issuers. Likewise, the OCC will supplement this final rule with guidance documents, as appropriate. As is its practice in other areas, the OCC will continue to track market developments and meet with interested parties to discuss the regulation and supervision of permitted payment stablecoin issuers, foreign payment stablecoin issuers, national banks, Federal savings associations, and Federal branches under the final rule in the coming years to understand the application of the rule in practice. At a high level, many commenters held differing views with respect to the proposal's approach concerning reserve asset management, liquidity, and diversification; the prohibition against a permitted payment stablecoin issuer paying interest or yield to a payment stablecoin holder solely in connection with the holding, use, or retention of such payment stablecoin (yield prohibition); redemption; and the proposal's capital requirements.

With respect to reserve asset management, liquidity, and diversification, commenters differed as to how prescriptive the final rule should be. Several commenters advocated setting principles-based requirements, either with or without a quantitative safe harbor concerning diversification requirements, and making certain changes to the proposed quantitative diversification safe harbor. Other commenters advocated for more prescriptive and quantitative reserve asset management, liquidity, and diversification requirements.

Many commenters opposed the proposal's approach with respect to the yield prohibition. The proposal included a rebuttable presumption that would have presumed certain transactions with affiliates and related third parties violated the prohibition. Many commenters generally favored a strong prohibition that would address a permitted payment stablecoin issuer using a third party to pay interest or yield. Of these commenters, several favored broadening the rebuttable presumption. Others said that a presumption was inadequate, and certain transactions that implicated indirect payments should be

[1] Under section 2(22) of the Act (12 U.S.C. 5901(22)), ''payment stablecoin'' means ''a digital asset—(i) that is, or is designed to be, used as a means of payment or settlement; and (ii) the issuer of which—(I) is obligated to convert, redeem, or repurchase for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value; and (II) represents that such issuer will maintain, or create the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value[.]'' The term does not include a digital asset that is (i) a national currency; (ii) a deposit (as defined in 12 U.S.C. 1813), including a deposit recorded using distributed ledger technology; or (iii) a security, as defined in 15 U.S.C. 77b, 78c, or 80a–2.

[2] 12 U.S.C. 5901(6).

[3] White House, ''Strengthening American Leadership in Digital Financial Technology,'' at 15 (July 17, 2025), (hereinafter, Digital Financial Technology Report), *https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-EO14178.pdf.* A cryptographically secured ledger uses cryptography to maintain the integrity of the ledger. *See also* E.O. No. 14178, *Strengthening American Leadership in Digital Financial Technology,* 90 FR 8647 (January 31, 2025) (defining blockchain to mean ''any technology where data is: (i) shared across a network to create a public ledger of verified transactions or information among network participants; (ii) linked using cryptography to maintain the integrity of the public ledger and to execute other functions; (iii) distributed among network participants in an automated fashion to concurrently update network participants on the state of the public ledger and any other functions; and (iv) composed of source code that is publicly available'').

[4] *See, e.g.,* 12 U.S.C. 5903(a)(4), (b), (h).

[5] *See Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency,* 91 FR 10202 (March 2, 2026).

[6] Although the comment period closed on May 1, 2026, the OCC continued to accept and consider late comments until July 1, 2026.

conclusively prohibited. In contrast, many commenters advocated for a narrow prohibition and either eliminating or narrowing the rebuttable presumption. Many of these commenters voiced concerns that the proposed rebuttable presumption could capture certain payments to related third parties that were not made solely in connection with the holding, use, or retention of payment stablecoin.

Concerning redemption, many commenters argued against imposing a freeze on (or extension of) redemption when there is a spike in redemption requests. Commenters argued that including these types of provisions could accelerate a run. With respect to capital, many commenters generally favored the flexible approach afforded by the proposed rule. Nevertheless, other commenters advocated a more quantitative and standardized approach. Commenters also addressed several other issues, including definitions; permitted activities; redemption; risk management; audits, reports, and supervision; State issuers; custody; foreign issuers; applications and registration requirements, among other issues. Each of these subjects is addressed in greater detail below.

Commenters also provided input concerning requirements relating to Bank Secrecy Act/Anti-Money Laundering (BSA/AML) and sanctions evasion. These comments will be addressed in a separate rulemaking.[7] Likewise, some comments on that separate rulemaking are best addressed in this final rule. Some commenters stated that the OCC should delay finalizing the rule due to uncertainties in stablecoin markets, ongoing legislative efforts, the complexity of the Act and rule, or to facilitate issuance of a joint rule.[8] Some commenters requested that the OCC re-propose any aspects that are inconsistent with the proposals of other agencies that issue rules under the GENIUS Act. The GENIUS Act will be effective on January 18, 2027, and it is important that the OCC's implementing regulations be effective as of that date. With respect to legislation, the OCC will revise the final rule, as appropriate, in response to any enacted legislation impacting the OCC's implementation of the GENIUS Act.

In addition, several commenters requested an extension of the comment period or to avoid finalizing the rule until certain legislative clarity was provided or to ensure that the effective date of the Act would be no sooner than January 18, 2027. Commenters also raised concerns regarding interagency coordination and advocated for ensuring that there is alignment among the rules issued by the agencies tasked with implementing the GENIUS Act. Balancing the need to have final rules implementing the GENIUS Act in advance of the statutory effective date against commenters' desire for additional time to comment on the proposal, the OCC elected not to extend the comment period but did accept and consider comments submitted after the close of the formal comment period. With respect to interagency coordination, the OCC has coordinated closely with the other Federal agencies consistent with section 13 of the GENIUS Act. The OCC has taken seriously its obligation to coordinate with other agencies, as appropriate, and does not believe that it is necessary to do so through a joint rule. The OCC will continue to coordinate appropriately.

Commenters provided suggestions on amendments to regulations that should be made in coordination with the GENIUS Act rulemaking. For example, a few commenters noted that the OCC should coordinate with the other Federal banking agencies to amend the standardized bank capital and liquidity requirements to provide for appropriate treatment for payment stablecoins and reserve assets, including that because reserve assets are not available to meet the obligations of a parent entity of a permitted payment stablecoin issuer, they should not be included in parent-level capital and liquidity requirements. Other commenters stated that the agencies implementing the GENIUS Act should revise their liquidity rules to accommodate the GENIUS Act framework, including the liquidity coverage ratio and net stable funding ratio. These comments are beyond the scope of this rulemaking, and the final rule therefore does not revise existing regulations to address them.

Several commenters raised other issues that are also beyond the scope of this rulemaking. Some commenters requested that the OCC apply certain other statutes to permitted payment stablecoin issuers by rule. The OCC has not done so in this final rule. The scope of statutes that apply to permitted payment stablecoin issuers cannot change by regulation. Thus, the final rule neither subjects permitted payment stablecoin issuers to statutes that would not otherwise apply nor excludes them from the scope of statutes that do apply to their activities. Some commenters stated that the OCC should coordinate with the Board of Governors of the Federal Reserve System (Federal Reserve) concerning designation of certain permitted payment stablecoin issuers as systemically important. Such designation is beyond the scope of this rulemaking, and therefore the final rule does not address such designations. In addition, one commenter requested that the OCC address the tax treatment of payment stablecoins. This issue is outside the scope of this rule and the OCC's authority and is not addressed in the final rule. Likewise, some commenters brought up antitrust concerns that are outside the scope of this rulemaking. Some commenters raised issues concerning non-payment stablecoins, decentralized finance (DeFi),[9] and crypto-assets more broadly that also fall outside the scope of this rulemaking.

Many commenters suggested that the OCC apply various existing consumer protection laws and regulations to permitted payment stablecoin issuers. For example, several commenters pointed to Unfair, Deceptive, or Abusive Acts or Practices (UDAAP) pursuant to section 1031 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5531), Unfair or Deceptive Acts or Practices (UDAP) under section 5 of the Federal Trade

[7] *See* P*ermitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism and Sanctions Compliance Risk Management,* 91 FR 37840 (June 24, 2026). On December 8, 2025, the OCC received a petition for regulatory action from Peter Tang at Stablecoin Standards Authority requesting (1) clear, risk-based supervisory expectations for national banks that participate in payment stablecoin activities with the GENIUS framework, (2) consistent application of Federal standards to large offshore U.S.-dollar referenced stablecoin arrangements with a material United States nexus, and (3) a targeted rulemaking to ensure that stablecoin settlement infrastructure is identifiable and subject to ongoing compliance accountability through on-chain node KYC and a Federally administered node registry. The OCC is addressing BSA/AML provisions of the GENIUS Act in a separate rulemaking, and the proposal related to that separate rulemaking was published in the **Federal Register** on June 24, 2026. The OCC is issuing the final rule consistent with the GENIUS Act and denies Stablecoin Standards Authority's petition for a separate rulemaking given the BSA/AML proposal.

[8] On September 9, 2024, the OCC received a petition for rulemaking from Dmitry Shkipin at *HomeOpenly.com* requesting that the OCC repeal OCC Interpretive Letters 1170 (July 22, 2020), 1172 (September 21, 2020), and 1174 (January 4, 2021). The petition asserts that virtual currencies are unlawful. The OCC is issuing the final rule consistent with the GENIUS Act and denies *HomeOpenly.com's* petition for a rulemaking because these activities are lawful, as explained in the letters, and because many of the stablecoin activities permissible under OCC Interpretive Letters 1170, 1172, and 1174 were expressly affirmed by the GENIUS Act.

[9] DeFi generally refers to the use of blockchain technology to provide financial services on a peer-to-peer basis. *Digital Financial Technology Report* at 20.

Commission Act (15 U.S.C. 45), the Electronic Fund Transfer Act of 1978 (15 U.S.C. 1693 *et seq.*) (EFTA), the Truth in Lending Act of 1968 (15 U.S.C. 1601 *et seq.*) (TILA), and the Gramm-Leach-Bliley Act (15 U.S.C. 6801 *et seq.*) (GLBA) as existing consumer protection laws that should apply to permitted payment stablecoin issuers. Commenters argued that consumers should not receive different protections based solely on the technological form of a payment instrument. Some commenters suggested that new consumer protection requirements for permitted payment stablecoin issuers should be drafted rather than simply applying existing statutes and regulations. For example, a few commenters suggested that consumer protection should be addressed in the application and supervisory framework under the GENIUS Act. A few commenters suggested that permitted payment stablecoin issuers should be required to maintain frameworks for managing risks arising from redemption failures, misleading disclosures, or inadequate customer communication. Other commenters suggested that, in addition to traditional fraud risks, specific operational risks such as transaction delays, rejections, and account restrictions should be addressed in the case of permitted payment stablecoin issuers. In contrast, a few commenters argued that consumer protection currently has its own regulatory framework and should not be duplicated. It would be outside the scope of this rulemaking to opine on all the statutes that may be applicable to permitted payment stablecoin issuers. The OCC's final rule does not alter the scope of the consumer protection laws that apply to permitted payment stablecoin issuers.

Several commenters also requested that the OCC take additional action to clarify the treatment of reserve assets upon an issuer's insolvency. For example, commenters suggested that the rule clarify that reserve assets are held for the benefit of the holders of the issuer's payment stablecoin or that the assets are not assets of the issuer's estate. Another commenter suggested that the OCC rely on its fiduciary rulemaking powers to require that reserve assets be held in a statutory trust or other equivalent legal structure. As discussed in greater detail below, the OCC has made changes in the final rule to accommodate certain structures, including the use of special purpose vehicle (SPV) issuers designed to protect the rights of payment stablecoin holders.

One commenter emphasized that it is appropriate to recognize the United States Federal framework already applicable to foreign banks' United States presence when operationalizing the permitted payment stablecoin framework. Although the International Banking Act of 1978 (12 U.S.C. 3101 *et seq.*) applies to the United States operations of foreign banks, the GENIUS Act includes additional, specific requirements related to foreign issuers of payment stablecoins in the United States.

The OCC is adopting this final rule with certain modifications from the proposal in light of the comments received. At a high level, the final rule makes several changes to the provisions concerning reserve asset management. These changes provide more flexibility to permitted payment stablecoin issuers while still maintaining core liquidity, diversification, and concentration requirements to ensure that permitted payment stablecoin issuers remain sufficiently reserved and capable of meeting redemption requests in a timely manner. The final rule provides additional clarity with respect to a permitted payment stablecoin issuer's permitted activities, redemption requirements, and risk management obligations. It also includes clarifications concerning the OCC's supervision of permitted payment stablecoin issuers, custody, and licensing and registration. In addition, the final rule includes capital and operational backstop requirements that are more detailed than, but consistent with, the proposal. The capital elements have also been simplified relative to the proposal. The final rule, like the proposal, imposes requirements consistent with the GENIUS Act that are tailored to the business model and risk profile of permitted payment stablecoin issuers. For example, as described below, the agency is implementing flexible risk management standards in § 15.13 that scale based on the nature, scope, and risk of a permitted payment stablecoin issuer's activities. Consistent with certain comments received on the proposal, the final rule facilitates an approach to supervision that focuses on activities over institution type.

In addition, other regulations beyond those addressed in this rulemaking may need to be updated in light of the passage of the GENIUS Act. For example, the OCC intends to incorporate references to permitted payment stablecoin issuers and foreign payment stablecoin issuers, as appropriate, into 12 CFR part 4 [10] and is considering updates to 12 CFR part 28.

These implementing regulations will be effective on January 18, 2027.

A. Self-Executing Provisions

The proposal discussed certain self-executing provisions of the GENIUS Act but did not propose rule text for these self-executing provisions.[11] For example, the Act includes several provisions addressing the applicability of State law to permitted payment stablecoin issuers. Specifically, section 4(b)(1) of the GENIUS Act (12 U.S.C. 5903(b)(1)) states that, notwithstanding certain Federal law addressing preemption standards for OCC-regulated institutions,[12] and certain State laws, a Federal qualified payment stablecoin issuer ''shall be licensed, regulated, examined, and supervised exclusively by the Comptroller.'' This provision provides the OCC with the exclusive authority to exercise visitorial powers with respect to Federal qualified payment stablecoin issuers, consistent with the agency's authority in 12 U.S.C. 484.[13] This exclusivity generally prevents other regulators from subjecting these entities to additional oversight, which can be unduly burdensome, duplicative, or inconsistent.[14] In addition, based on the exclusivity granted to the OCC, section 4(b) of the Act preempts certain State laws with respect to Federal qualified payment stablecoin issuers.

Section 5(h) of the GENIUS Act (12 U.S.C. 5904(h)) expressly preempts ''any State requirement for a charter, license, or other authorization to do business with respect to a Federal qualified payment stablecoin issuer or [a] subsidiary of an [OCC-regulated] insured depository institution . . . that is approved . . . to be a permitted payment stablecoin issuer.'' As a result, these entities are only required to obtain authorization to do business from the OCC, which reduces the complexity that

[10] *See OCC Rules Regarding the Availability of OCC Information,* 91 FR 50610 (August 5, 2026).

[11] 91 FR at 10203–04.

[12] Specifically, 12 U.S.C. 25b and 1465 respectively address the preemption standards applicable to national banks and Federal savings associations and their subsidiaries.

[13] Although the GENIUS Act does not specifically use the term ''visitorial powers,'' its plain language is consistent with the Supreme Court's description of visitorial authority. *See Cuomo* v. *Clearing House Ass'n, L.L.C.,* 557 U.S. 519, 526 (2009) (describing visitation as the exercise of ''general *supervision*'') (emphasis added); *see also* 12 CFR 7.4000(a)(2) (describing the OCC's visitorial powers with respect to national banks).

[14] Twelve U.S.C. 484 would also continue to apply to uninsured national banks and Federal branches that become permitted payment stablecoin issuers.

would result from requiring these entities to also obtain a charter, license, or other authorization from one or more States.[15] Finally, section 7(f)(4) of the GENIUS Act (12 U.S.C. 5906(f)(4)) provides that nothing in the GENIUS Act preempts State consumer protection laws.[16]

Together, these GENIUS Act provisions establish a framework for assessing the applicability of State law to a Federal qualified payment stablecoin issuer or a subsidiary of an OCC-regulated insured depository institution approved to be a permitted payment stablecoin issuer.[17]

The OCC received several comments on these self-executing provisions. Some commenters requested that the OCC more specifically address whether the GENIUS Act preempts licensing requirements in certain circumstances (*e.g.,* when third parties provide services to certain permitted payment stablecoin issuers, when a foreign payment stablecoin issuer is authorized to issue stablecoins in the U.S., or when a Federal qualified payment stablecoin issuer or subsidiary of an OCC-regulated insured depository institution engages in activities other than those addressed in section 4(a)(7)(A) (12 U.S.C. 5903(a)(7)(A)). Commenters also recommended that the OCC state that it has exclusive visitorial powers over subsidiaries of insured national banks that are permitted payment stablecoin issuers, similar to the proposal's statement regarding the OCC's exclusive visitorial powers for Federal qualified payment stablecoin issuers. With respect to State consumer protection laws, commenters had several suggestions, including that the OCC specifically address compliance with applicable State consumer protection laws in its final regulation. Commenters also recommended that the OCC further explain how it will approach certain preemption issues.

After carefully considering the comments received, the OCC determined that the issues raised by commenters do not require regulatory changes, are outside the scope of this rulemaking, or are better evaluated on an individualized basis. The section of the preamble to the proposal discussing these self-executing provisions was intended to provide stakeholders with a general understanding of the GENIUS Act's preemption and visitation framework. Because this framework is self-executing, however, the OCC did not propose any implementing regulation text, nor is it including any in the final rule. While commenters raised several interpretive issues that may warrant clarification at the appropriate time, the OCC has concluded that the agency should retain the flexibility to address such issues as they arise. This will ensure that the OCC's analysis is appropriately informed by, and tailored to, the relevant facts and circumstances. Stakeholders may contact the OCC with questions as they arise, and the OCC will provide additional clarification if appropriate.[18]

Among other self-executing provisions, section 4(g) of the GENIUS Act (12 U.S.C. 5903(g)) provides that a Federal savings association established under the Home Owners' Loan Act (12 U.S.C. 1461 *et seq.*) that holds a reserve that satisfies the requirements of section 4(a)(1) of the GENIUS Act shall not be required to satisfy the qualified thrift lender test under section 10(m) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)) [19] with respect to such reserve assets. Because this provision is self-executing, the OCC did not propose regulatory text to implement section 4(g). The OCC received no comments on this aspect of the Act and, consistent with the proposal, is not including any regulatory text to implement section 4(g) of the Act.

II. Description of the Final Rule

The final rule, like the proposal, addresses the majority of the OCC's implementation of the GENIUS Act through new 12 CFR part 15. In addition, like the proposal, the final rule makes updates to 12 CFR parts 3 (Capital Adequacy Standards), 6 (Prompt Corrective Action), 8 (Assessment of Fees), and 19 (Rules of Practice and Procedure). For each subpart, or substantive subsection, of 12 CFR part 15, an overview of the changes from the proposed rule to the final rule is provided, followed by a detailed description of the proposed rule, relevant comments, and final rule.

A. Subpart A—Purpose, Scope, Definitions, Severability, and Reservation of Authority

Consistent with the proposal, subpart A of 12 CFR part 15 provides the purpose and scope and defines terms used throughout the final rule.

1. Overview of Changes From Proposed Rule to Final Rule for Subpart A

As described below, the OCC is adopting § 15.1, which provides the scope and purpose of part 15, as proposed.

The OCC is adopting many of the part 15 definitions in § 15.2 as proposed, but several definitions are being added, removed, or changed. The agency is adopting the following definitions as proposed: affiliate, Bank Secrecy Act, control, deposit, digital asset, director, distributed ledger, executive officer, fair value, FDIC, Federal branch, Federal qualified payment stablecoin issuer, Federal Reserve, foreign payment stablecoin issuer, GAAP, immediate family, insider, insured credit union, insured depository institution, monetary value, money, national currency, nonbank entity, OCC, payment stablecoin, permitted payment stablecoin issuer, person, principal shareholder, publicly available information, registered public accounting firm, related interest, reserve asset, Stablecoin Certification Review Committee, State, State payment stablecoin regulator, and subsidiary. The agency is adding to § 15.2 new definitions for business day, payment stablecoin holder, reserve asset value, sensitive customer information, share account, and tokenized form. Additionally, the agency is removing from § 15.2 the definitions of distributed ledger protocol, State-chartered depository institution, and trading volume.

The agency is finalizing the following § 15.2 definitions with differences from the proposed definitions: board of directors, customer, depository institution, eligible financial institution, nonpublic personal information, outstanding issuance value, private key, State qualified payment stablecoin issuer, and United States customer.

As described below, the OCC is adopting § 15.3, providing for the severability of part 15 provisions, as proposed.

---

[15] *See also* Section 4(b)(1) (12 U.S.C. 5903(b)(1)).

[16] Depending on the circumstances, other Federal law, such as the National Bank Act and the Home Owners' Loan Act, may also be relevant in assessing the applicability of State law, including a State consumer protection law, to certain permitted payment stablecoin issuers, such as uninsured national banks.

[17] The GENIUS Act also addresses the applicability of State law to State qualified payment stablecoin issuers. *See, e.g.,* section 7(f) of the Act (12 U.S.C. 5906(f)).

[18] At least one commenter observed that the proposal did not explain how the OCC will comply with 12 U.S.C. 25b, which imposes procedural requirements on certain OCC preemption actions. The OCC has complied, and will continue to comply, with all applicable legal requirements.

[19] A Federal savings association is generally required to be a qualified thrift lender. A Federal savings association is a qualified thrift lender if it meets one of the following qualified thrift lender tests: (1) it qualifies as a domestic building and loan association as defined in 26 U.S.C. 7701(a)(19); or (2) its qualified thrift investments equal or exceed 65 percent of its portfolio assets, and its qualified thrift investments continue to equal or exceed 65 percent of its portfolio assets on a monthly average basis in nine out of every 12 months.

The OCC is adding § 15.4 on the reservation of authority that was not in the proposed rule.

2. Purpose and Scope (§ 15.1)

Proposed § 15.1 set forth the purpose and scope of the stablecoin-related regulations. Paragraph (a) described the purpose, which is to implement the GENIUS Act, 12 U.S.C. 5901 *et seq.,* with respect to entities for which the OCC is authorized to issue regulations or exercise its enforcement authority under the Act. These entities were listed in the proposed scope provision in paragraph (b), which provided that proposed part 15 would apply to activities related to payment stablecoins and certain custody activities of (1) national banks and their subsidiaries; (2) Federal savings associations and their subsidiaries; (3) Federal branches and their subsidiaries; (4) foreign payment stablecoin issuers; (5) nonbank entities that seek to be or are approved as Federal qualified payment stablecoin issuers; and (6) State qualified payment stablecoin issuers for whom the OCC has regulatory or enforcement authority pursuant to proposed § 15.15 or § 15.16. Thus, except where otherwise noted, references in part 15 to permitted payment stablecoin issuers would only apply to these types of listed entities despite the broader scope of the term in the GENIUS Act.

As described in the section-by-section analysis below, proposed subparts B and E would apply to permitted payment stablecoin issuers that are subsidiaries of insured national banks, subsidiaries of Federal savings associations, uninsured national banks, Federal branches or subsidiaries thereof, nonbank entities that are not State qualified payment stablecoin issuers, and State qualified payment stablecoin issuers for which the OCC has regulatory or enforcement authority. Proposed subpart C would apply to national banks, Federal savings associations, Federal branches, Federal qualified payment stablecoin issuers, and State qualified payment stablecoin issuers with a total consolidated outstanding issuance value of more than $10 billion subject to supervision and regulation by the OCC that provide custodial or safekeeping services for payment stablecoins, reserve assets, and other ''covered assets'' (described in detail in subpart C). The application and registration sections in proposed subpart D would apply to insured national banks, Federal savings associations, or Federal branches that seek to issue payment stablecoins through a subsidiary; nonbank entities that seek to be Federal qualified payment stablecoin issuers, uninsured national banks, and uninsured Federal branches that seek to be Federal qualified payment stablecoin issuers; and entities that seek to register as foreign payment stablecoin issuers. The capital requirements detailed in proposed subpart E would apply to subsidiaries of insured national banks, subsidiaries of Federal savings associations, uninsured national banks, Federal branches or subsidiaries thereof, nonbank entities that are not State qualified payment stablecoin issuers, and State qualified payment stablecoin issuers for which the OCC has regulatory authority.

Several commenters sought greater clarity about which entities would become subject to the proposed regulation because of their activities. These commenters were concerned that a broad scoping of stablecoin issuer activities and digital asset service provider activities might result in an overly broad set of entities becoming subject to the OCC's regulations, including entities engaged in blockchain infrastructure, technology-service providers, vendor support function providers, and companies that facilitate businesses' adoption of stablecoin technology. Related to this scope issue, one commenter suggested that the rule should require a standardized certification under Federal oversight for core service providers, which would alter the scope of entities affected by the rule. Several commenters suggested the OCC follow a regulatory approach based on the activity type and not the institution type. Commenters suggested such an approach increases fair competition and decreases the risk of regulatory arbitrage.

The scope of the final rule is consistent with the text of the GENIUS Act and the OCC's jurisdiction. The OCC's part 15 applies to national banks and their subsidiaries, Federal savings associations and their subsidiaries, Federal branches and their subsidiaries, foreign payment stablecoin issuers, nonbank entities that seek to be or are approved as Federal qualified payment stablecoin issuers, and State qualified payment stablecoin issuers over which the OCC has regulatory or enforcement authority. To the extent that an entity falls under one of these categories, it is subject to part 15. Otherwise, the entity is not captured by the rule. Therefore, to the extent a blockchain infrastructure or technology service-provider issues a payment stablecoin and is a type of entity subject to the OCC's jurisdiction, it is covered under part 15. Additionally, entities that are covered custodians as that term is defined in subpart C of part 15 are also subject to part 15. Otherwise, part 15 does not apply.

The OCC received no additional comments concerning proposed § 15.1 and is adopting § 15.1, with one technical change. Paragraph (b)(6) of the proposed rule referred to State qualified payment stablecoin issuers for whom the OCC has regulatory or enforcement authority. The final rule replaces ''for whom'' with ''for which.''

3. Definitions (§ 15.2)

Section 15.2 contains the following definitions of terms used throughout part 15, many of which are included in or based on the definitions in the GENIUS Act.[20] A description of the proposed definitions, comments received, and final definitions is below.

Acting in concert. The OCC did not propose to define ''acting in concert'' but requested comment on whether to do so, including whether to incorporate any of the presumptions for acting in concert under 12 CFR 5.50. One commenter stated that the term did not need to be defined. Another recommended defining the term in a manner based on 12 CFR 5.50. Another commenter stated that the definition should not be so broad as to inadvertently capture arm's-length commercial relationships between stablecoin issuers and their technology, custody, clearing, or compliance providers. Another commenter recommended adapting the definition in 12 CFR 5.50 to require knowing and purposeful coordination. The definition of ''acting in concert'' is pertinent to the definition of ''principal shareholder,'' which, in turn, is relevant to the definition of ''insider'' and to certain application requirements. The definition of ''principal shareholder'' is based on the definition in 12 CFR 5.20. The definition of ''insider'' is based on the definition in Regulation O (12 CFR 215). Both 12 CFR 5.20 and Regulation O use the terms ''acting in concert'' or ''acting through or in concert'' but do not define the terms. After considering the comments received, the OCC has concluded that it is unnecessary to define the term for purposes of 12 CFR part 15 because the term would serve the same purpose as in 12 CFR 5.20 and Regulation O, and the existing regulations are well established and understood. While the OCC is not defining the term for purposes of 12 CFR part 15, the OCC expects that any

[20] The definitions in § 15.2 describe only terms used in part 15. These definitions do not interpret terms for purposes of any other statute or regulation and are not issued pursuant to section 3(d) of the GENIUS Act (12 U.S.C. 5902(d)).

person that would be deemed to be acting in concert for purposes of 12 CFR 5.50 would also be acting in concert for purposes of § 15.14(m), which applies the requirements of 12 CFR 5.50 in the context of permitted payment stablecoin issuers. Because the term ''acting in concert'' serves a different purpose in 12 CFR part 15 than in 12 CFR 5.50, the OCC has not, however, incorporated the definition in 12 CFR 5.50 or incorporated any of the presumptions therein.

Affiliate. The OCC proposed to define the term ''affiliate'' consistent with the definition in the Bank Holding Company Act, 12 U.S.C. 1841(k), but modified to use the defined term ''person'' in place of the term ''company.'' Under the proposed rule, the term ''affiliate'' would have meant a person that controls, is controlled by, or is under common control with another person.

Commenters generally supported or did not opine on the definition of ''affiliate'' (but, as discussed below, the OCC did receive comments concerning the definition of control, which has implications for the definition of affiliate). The OCC is adopting the definition of affiliate as proposed. This approach aligns the definition with the definition in the Bank Holding Company Act with which market participants are generally familiar. As discussed in the proposal, the definition of ''affiliate'' is consistent with the definition in the Bank Holding Company Act, and the OCC generally expects that it will interpret questions regarding the definition of ''affiliate'' consistent with the provisions of 12 CFR part 225 as of the date of the issuance of this final rule.

Bank Secrecy Act. The OCC proposed to define the term ''Bank Secrecy Act'' consistent with the definition provided in the GENIUS Act, 12 U.S.C. 5901(2). Under the proposal, the term ''Bank Secrecy Act'' would have meant: (1) section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b); (2) chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 *et seq.*); and (3) subchapter II of chapter 53 of title 31, United States Code and notes thereto (31 U.S.C. 5311 *et seq.*). The proposal added the phrase ''and notes thereto'' as a clarification. The OCC received no comments addressing the definition of ''Bank Secrecy Act.'' The OCC is adopting the definition as proposed.

Board of directors. Under the proposed rule, ''board of directors'' would have meant a permitted payment stablecoin issuer's or applicant's board of directors or the group of individuals that serve the nearest equivalent function of acting as the governing body of the issuer or applicant. The proposed definition captured the persons responsible for certain requirements under proposed part 15, including for permitted payment stablecoin issuers that do not have a board of directors as that term is commonly understood. The OCC received no comments addressing the definition of ''board of directors.'' The OCC is adopting the definition with one technical change replacing ''serve'' with ''serves.''

Business day. One commenter requested that the OCC clarify the meaning of ''business day,'' including whether Saturdays, Sundays, and national holidays are excluded, for purposes of the timely redemption requirement in § 15.12. Alternatively, the commenter stated that the OCC could impose a requirement that issuers disclose how they calculate the two-business-day period under § 15.12. To provide clarity, the OCC is defining ''business day'' to mean any day other than a Saturday, Sunday, or Federal holiday.

Conspicuous. One commenter requested that the OCC define ''conspicuous'' for purposes of relevant disclosures. The OCC declines to do so in this final rule because whether disclosures are conspicuous depends heavily on context. The OCC generally expects that disclosures that would be considered conspicuous under 12 CFR part 328 would generally be considered conspicuous under 12 CFR part 15.

Control. The OCC proposed to define ''control'' such that a person would have controlled another person if: (1) the person directly or indirectly or acting through one or more other persons owns, controls, or has power to vote 25 percent or more of any class of voting securities of the other person; (2) the person controls in any manner the election of a majority of the directors or trustees of the other person; or (3) the OCC determines, after notice and opportunity for hearing, that the person directly or indirectly exercises a controlling influence over the management or policies of the other person. Like the definition of ''affiliate,'' the proposed definition of ''control'' was generally consistent with the Bank Holding Company Act. The OCC noted that proposed § 15.14 included certain provisions regarding changes in control that would refer to the use of that term under 12 CFR 5.50, rather than under the Bank Holding Company Act. Thus, for purposes of those provisions, permitted payment stablecoin issuers would refer to 12 CFR 5.50.

The OCC received several comments addressing the definition of ''control.'' Several commenters requested that the OCC clarify the definition of control, including by expressly incorporating the presumptions of control in the Bank Holding Company Act and the Federal Reserve's Regulation Y. Other commenters argued for narrowing the definition of control by providing that ''controlling influence'' should be assessed based on actual decision-making authority and economic control, rather than formal or theoretical influence. One commenter advocated for a blend of Bank Holding Company Act and Change in Bank Control Act concepts. Some stated that a framework based on the Bank Holding Company Act is useful but should be adapted or clarified. Some commenters advocated for a narrower definition and for assessing controlling influence based on actual economic and legal control, rather than theoretical influence. Another stated that control encompasses not only ownership and voting power, but also the ability to direct or materially influence governance, operational decision-making, or risk-bearing functions, whether exercised directly or indirectly.

After considering the comments received, the OCC is adopting the definition as proposed. This approach aligns with the definition in the Bank Holding Company Act, with which market participants are generally familiar. Consistent with a statement in the proposal, the OCC generally expects that it will interpret questions regarding the definition of ''control'' consistent with the provisions of 12 CFR part 225, including those relating to controlling influences and to the presumption of control, as of the date of the issuance of this final rule. The interpretations of control under the Bank Holding Company Act, including 12 CFR part 225, generally have been developed after consideration of the same or similar comments received in response to the proposal. Moreover, the OCC may provide additional clarity through guidance and interpretations, as necessary. The OCC believes that this approach will provide clarity to market participants.

Customer. The OCC proposed to define the term ''customer'' to mean a person that purchases (through any consideration) the products or services of another person. Among other provisions, the definition of ''customer'' was relevant to certain information protection and notification requirements.

The OCC received several comments addressing the definition of ''customer.'' Several commenters regarded the proposed definition of ''customer'' as

overly broad because it could capture indirect relationships between stablecoin holders and permitted payment stablecoin issuers. These commenters generally argued in favor of requiring a contractual relationship between a permitted payment stablecoin issuer and a counterparty for the counterparty to be covered by the definition of customer. Other commenters generally favored a broad definition that would include persons who acquired payment stablecoins in the secondary market. One commenter advocated not defining the term.

The final rule modifies the definition by defining customer (except in the context of the custody provisions, where the term ''covered customer'' is used) to mean a person that purchases (through any consideration) the products or services of a permitted payment stablecoin issuer or foreign payment stablecoin issuer directly from the issuer or that makes a request directly to the issuer that the issuer convert, redeem, or repurchase a payment stablecoin. This definition focuses on the relationship between the issuer and its direct counterparties. Thus, for example, if a payment stablecoin holder acquired its payment stablecoin from a third-party distributor (including a distributor that is associated with the payment stablecoin, for example, as part of a white-label arrangement) that did not act as agent for the permitted payment stablecoin issuer, the payment stablecoin holder would not be a customer of the permitted payment stablecoin issuer unless and until the holder sought to redeem the payment stablecoin from the permitted payment stablecoin issuer (or otherwise purchased products or services directly from the permitted payment stablecoin issuer).

The OCC believes that this narrower definition is appropriate in light of additional changes, described below, including adopting a definition of ''payment stablecoin holder'' and clarifying how certain notification requirements in the final rule apply to customers. The OCC believes that these changes will help ensure that the term is neither overly broad nor overly narrow. The OCC believes that this revised definition will result in a set of customers that is easily identifiable by permitted payment stablecoin issuers. This definition does not affect the definition of customer for purposes of other laws and regulations, including privacy laws and the Bank Secrecy Act and its implementing regulations.[21]

Deposit. The OCC proposed to define the term ''deposit'' to have the same meaning as deposit in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)). The OCC received no comments addressing the definition of ''deposit.'' The OCC is adopting the definition as proposed.

Depository institution. The OCC proposed to define the term ''depository institution'' to mean a depository institution as that term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)) or a credit union. The OCC proposed this definition because, although the GENIUS Act uses the term ''depository institution,'' it is not defined in section 2 of the Act (12 U.S.C. 5901). Section 11(g) of the Act (12 U.S.C. 5910(g)) does, however, refer to the Federal Deposit Insurance Act's definition.[22] Under the Federal Deposit Insurance Act, the term ''depository institution'' means any bank or savings association, both of which are defined terms under that statute and would be incorporated to determine whether an institution is a depository institution for purposes of proposed part 15. The OCC also proposed to include a reference to credit unions consistent with the approach that the GENIUS Act took with respect to the definition of ''insured depository institution,'' defined below, and which explicitly includes insured credit unions. This term is particularly relevant with respect to the OCC's jurisdiction over certain nonbank entities under sections 2(25), 4(d), and 7(e) of the Act (12 U.S.C. 5901(25), 5903(d), and 5906(e)).

The OCC received several comments addressing the definition of ''depository institution.'' Some commenters stated that privately insured credit unions should be excluded from the definition so that they could apply to be Federal qualified payment stablecoin issuers.

One commenter suggested that the OCC clarify whether ''depository institution'' refers strictly to FDIC-insured institutions or extends to other charter types with deposit-like authorities. One commenter suggested that the OCC should make clear that the term ''depository institution'' also includes the uninsured State branches of foreign banks.

The final rule includes certain modifications to the definition. Under the final rule, the term ''depository institution'' would mean a depository institution, as that term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)), or an insured credit union as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752) (*i.e.,* a credit union that is not an insured credit union under section 101 of the Federal Credit Union Act would not be included in the definition of depository institution). Absent this change, there could have been ambiguity as to which agency is the primary Federal payment stablecoin regulator for a non-Federally insured credit union. Such a credit union would not meet the definition of ''State depository institution'' under section 2(29) of the GENIUS Act (12 U.S.C. 5901(29)) but, if the credit union were a depository institution, it would not be a nonbank entity. In other words, the proposed definition could have the effect of excluding non-Federally insured credit unions from being regulated by the OCC as permitted payment stablecoin issuers. The amended definition makes clear that a non-Federally insured credit union is a nonbank entity and that the OCC is the primary Federal payment stablecoin regulator for such entities. In response to other comments, the OCC does not believe that it is appropriate to limit the definition of ''depository institution'' strictly to insured depository institutions. The statute uses both terms, and it is appropriate to regard each term as having a separate meaning. In light of the GENIUS Act's frequent references to the Federal Deposit Insurance Act, the most faithful reading of the statute would incorporate the Federal Deposit Insurance Act's definition, with the modification described above to address the fact that the GENIUS Act addresses credit unions while the Federal Deposit Insurance Act does not. Thus, institutions that are depository institutions under the Federal Deposit Insurance Act (*i.e.,* national banks, savings associations, State banks, Federal branches, and insured branches) would be depository institutions for purposes of 12 CFR part 15. The OCC further notes that ''insured depository institution'' is defined separately (discussed below).

Digital asset. The OCC proposed to define the term ''digital asset'' as provided in section 2(6) of the GENIUS Act (12 U.S.C. 5901(6)). Under the proposed rule, the term ''digital asset'' would have meant any digital representation of value that is recorded

[21] *See generally* 91 FR 37840; *Permitted Payment Stablecoin Issuer Customer Identification Program,* 91 FR 37234 (June 22, 2026).

[22] The proposed definition of ''depository institution'' for purposes of part 15 would not affect the meaning of the term under section 11(g) of the GENIUS Act (12 U.S.C. 5911).

on a cryptographically secured distributed ledger.

The OCC received several comments addressing the definition of ''digital asset.'' Several commenters supported the proposed definition but asked the OCC to clarify that application of this definition within the proposed rule remains limited to the activities and obligations expressly contemplated by the GENIUS Act. Some commenters suggested that the OCC ensure that the definition clearly distinguishes between (i) payment stablecoins covered by the rule, (ii) tokenized deposits and certain other bank liabilities, and (iii) digital representations of traditional financial assets that do not function as standalone mediums of exchange. One commenter stated that the definition does not cover non-fungible loyalty points, to the extent they are not recorded on a cryptographically secured distributed ledger.

The OCC is adopting the definition as proposed. The regulatory definition matches the statutory definition. In response to comments, other definitions, including the definition of ''payment stablecoin,'' appropriately distinguish different types of digital assets from one another. The definition of ''payment stablecoin'' distinguishes a payment stablecoin from a deposit, including a tokenized deposit, without any need to revise the broader definition of ''digital asset.'' In addition, the OCC confirms that the definition applies for purposes of implementing the GENIUS Act under part 15 and does not necessarily apply in other contexts. The OCC also confirms that, under the definition in part 15, a representation of value that is not recorded on a cryptographically secured distributed ledger is not a digital asset.

Digital asset service provider. The proposed rule did not include the term ''digital asset service provider'' but sought comment on whether to include such a term. The OCC received several comments on the term. Many of these comments sought clarifications around the scope of the term. Some sought to distinguish digital asset service providers from permitted payment stablecoin issuers. Others requested that the OCC clarify that the term does not include providers of blockchain infrastructure or DeFi activities. Others stated that the statutory definition was sufficiently clear or that the OCC had no authority to interpret the term.

The final rule, like the proposal, does not use the term, which is generally more relevant to section 3 of the GENIUS Act (12 U.S.C. 5902) than the sections that part 15 implements. The OCC therefore found it unnecessary to define the term for purposes of part 15. The OCC does note that certain provisions of the GENIUS Act (*e.g.,* 12 U.S.C. 5902) apply to digital asset service providers and that permitted payment stablecoin issuers may also be considered digital asset service providers. Accordingly, permitted payment stablecoin issuers should ensure compliance both with the rules that apply to permitted payment stablecoin issuers and the rules that apply to digital asset service providers, as applicable.[23]

Director. The OCC proposed to define the term ''director'' for purposes of proposed part 15 to mean an individual who serves on the board of directors of a permitted payment stablecoin issuer or applicant, except an advisory director who does not have the authority to vote on matters before the board of directors or any committee of the board of directors and provides solely general policy advice to the board of directors or any committee. The OCC based the proposed definition on the definition included in 12 CFR 5.51. The proposed definition was modified from that in 12 CFR 5.51 to remove the exclusion for a director of a foreign bank that operates a Federal branch. The OCC determined that this language was unnecessary in light of the proposed definition of the term ''board of directors.'' As described above, to address the various organizational forms used by permitted payment stablecoin issuers and applicants, including those that do not have a traditional board of directors, the OCC proposed to define the term ''board of directors'' in proposed part 15 to include a group of individuals that serve the nearest equivalent function of acting as the governing body of the issuer or applicant. For a Federal branch, individuals who would meet the proposed definition of ''director'' would include individuals that are part of that group. Further, a director of a foreign bank is not a director of the branch unless the director serves on the board of a Federal branch (or serves in an equivalent capacity with respect to the branch).

The OCC received a few comments addressing the definition of ''director.'' A commenter suggested that: (i) branch-level senior officers should not automatically be considered ''directors'' solely because they exercise local management authority and (ii) for Federal branches seeking to issue stablecoins through a subsidiary, ''director'' should mean members of the subsidiary's board with binding governance authority, not the branch's country officer or regional manager.[24] The OCC is adopting the definition as proposed. The OCC believes the proposed definition was appropriately scoped in light of the definition of ''board of directors,'' which includes the group of individuals that serves the nearest equivalent function of acting as the governing body of the issuer or applicant. This definition focuses on persons with actual authority with respect to an entity. This functional definition of ''director'' appropriately captures persons serving the actual governance function associated with serving on the board of directors, regardless of formal structure or title.

Distributed ledger. The OCC proposed to define the term ''distributed ledger'' as provided in the GENIUS Act, 12 U.S.C. 5901(8), with certain technical edits. The proposed rule defined the term ''distributed ledger'' to mean technology in which (1) data is shared across a network that creates a public digital ledger of verified transactions or information among network participants and (2) cryptography is used to link the data to maintain the integrity of the public ledger and execute other functions. The proposed definition reformatted the definition in the GENIUS Act by using numbering to distinguish between the two components of the definition. The formatting changes were technical and did not substantively affect the definition.

The OCC received several comments addressing the definition of ''distributed ledger.'' Commenters generally supported the proposed definition but suggested making clarifications or including definitions of additional terms. For example, commenters had varying views on whether the term should include or exclude public ledgers, private ledgers, or semi-private ledgers.

The OCC is adopting the definition as proposed. This approach aligns with the statute. The OCC may address future innovations and developments through interpretations or additional rulemaking, as appropriate.

Distributed ledger protocol. The OCC proposed to define the term ''distributed

[23] *See* Department of the Treasury, *GENIUS Act Regulations on Payment Stablecoin Issuance, Offer, and Sale,* 91 FR 53368, 53371 (August 18, 2026) (stating that permitted payment stablecoin issuers are also digital asset service providers under the GENIUS Act).

[24] The commenter also stated that independent directors required for audit and risk committees should not need to be United States citizens but must be subject to United States jurisdiction for enforcement purposes. The OCC confirms that a director need not be a United States citizen but is subject to the enforcement provisions of the GENIUS Act.

ledger protocol'' as provided in the GENIUS Act, 12 U.S.C. 5901(9). The term ''distributed ledger protocol'' would have meant publicly available and accessible executable software deployed to a distributed ledger, including smart contracts or networks of smart contracts. The OCC received no comments separately addressing the definition of ''distributed ledger protocol.'' The final rule, however, does not use the term. Accordingly, the OCC is not including a definition of the term in the final rule.

Eligible financial institution. The OCC proposed to define ''eligible financial institution'' to mean (1) a person that (a) is eligible to hold reserve assets in custody under section 10(a) of the GENIUS Act (12 U.S.C. 5909(a)); (b) complies with the applicable requirements in section 10(b), (c), and (d) of the GENIUS Act (12 U.S.C. 5909(b), (c) and (d)), including with applicable implementing regulations issued by a relevant primary Federal payment stablecoin regulator as defined in 12 U.S.C. 5901(25), primary financial regulatory agency described in 12 U.S.C. 5301(12)(B) or (C), State bank supervisor, or State credit union supervisor; and (c), if applicable, enters into a custody agreement with a permitted payment stablecoin issuer documenting the person's compliance with paragraph (2) of the definition of eligible financial institution; or (2) a Federal Reserve Bank.

The term ''eligible financial institution'' is relevant to the reserve asset diversification and concentration requirements in § 15.11(c) of the rule. Under section 10(a) of the GENIUS Act (12 U.S.C. 5909(a)), a person may only engage in the business of providing custodial or safekeeping services for the payment stablecoin reserve, the payment stablecoins used as collateral, or the private keys used to issue payment stablecoins if the person meets certain requirements, including being subject to supervision or regulation by a primary Federal payment stablecoin regulator, primary financial regulatory agency, or supervision by a State bank supervisor or a State credit union supervisor if such State bank supervisor or State credit union supervisor makes available to the Federal Reserve certain information. Such a person must also comply with the requirements under section 10(b) of the GENIUS Act (12 U.S.C. 5909(b)), unless the person holds such property in accordance with similar requirements as required by a primary Federal payment stablecoin regulator, the Securities and Exchange Commission, or the Commodity Futures Trading Commission.

Eligible financial institutions would have included insured depository institutions and national banks regardless of whether the entities engaged in stablecoin activities or provided custody services to permitted payment stablecoin issuers because these entities are subject to supervision or regulation by a primary Federal payment stablecoin regulator. Thus, for example, under proposed § 15.11(c) a permitted payment stablecoin issuer could hold reserves as deposits at a national bank regardless of whether the national bank acted as custodian for the permitted payment stablecoin issuer's other reserve assets.

To meet the proposed definition, a financial institution would have also needed to comply with the applicable requirements of section 10 of the Act (12 U.S.C. 5909), and the relevant custody agreement would have needed to reflect compliance with section 10 as well as policies and procedures to ensure such compliance.[25] These criteria help ensure compliance with section 10 of the Act.

The OCC recognized that multiple agencies will regulate permitted payment stablecoin issuers and the entities that may permissibly custody reserve assets. The proposed rule would have imposed requirements on where and how OCC-regulated permitted payment stablecoin issuers may hold reserve assets in § 15.11. Proposed subpart C would have separately imposed the requirements of section 10 of the GENIUS Act (12 U.S.C. 5909) on OCC-regulated institutions that hold reserve assets on behalf of payment stablecoin issuers, including on behalf of payment stablecoin issuers not regulated by the OCC. Proposed § 15.11 did not mandate that OCC-regulated permitted payment stablecoin issuers only hold their reserve assets in the custody of OCC-regulated custodians. Accordingly, the proposal acknowledged that there could be overlap between the requirements imposed by different regulators with different requirements implementing section 10 of the GENIUS Act. The OCC invited comment on the best ways to manage potentially overlapping requirements. The proposed rule would have required that an ''eligible financial institution'' comply with the requirements in section 10(b), (c), and (d) of the GENIUS Act, including applicable implementing regulations. Accordingly, even if different types of eligible financial institutions were subject to different regulations on the safe handling of stablecoin reserve assets, an OCC-regulated permitted payment stablecoin issuer could still custody reserve assets at any entity that met the requirements in the definition of ''eligible financial institution.''

The proposed rule would have required a permitted payment stablecoin issuer to enter into a custody agreement with an eligible financial institution, which would have required that the eligible financial institution adhere to the requirements in section 10(b), (c), and (d), along with any applicable implementing regulations. This requirement would have helped ensure that the eligible financial institution knows that it is subject to the requirements of the GENIUS Act and would have provided permitted payment stablecoin issuers a contractual means of enforcing compliance with applicable provisions of the Act.

The OCC received several comments addressing the definition of ''eligible financial institution.'' Commenters generally supported the proposed definition but made suggestions that the OCC make certain clarifications. One commenter suggested publishing and maintaining a list of institution types that qualify as eligible financial institutions, rather than leaving payment stablecoin holders to determine what may be an eligible financial institution. The OCC will not provide a list of eligible financial institutions or eligible financial institution types as that list may become stale as new types of entities become eligible to hold reserve assets in custody under section 10 of the Act (12 U.S.C. 5909) and it would be resource-intensive for the OCC to identify all eligible financial institutions regulated by different States. Rather than updating the list every time a new entity type becomes eligible, the OCC believes that a definition that relates back to the statutory requirements in section 10 (12 U.S.C. 5909) is appropriate.

One commenter suggested that the OCC confirm the eligibility of foreign branches and agencies as eligible financial institutions for reserve custody purposes. The OCC confirms that foreign branches and agencies may hold reserve assets in custody, provided that they meet the requirements in section 10 of the GENIUS Act (12 U.S.C. 5909). However, as discussed below, deposit liabilities of institutions that are not insured depository institutions do not qualify as reserve assets under section

[25] As discussed above, to the extent that an eligible financial institution does not engage in custody of covered assets, section 10 of the GENIUS Act (12 U.S.C. 5909) would not apply.

4(a)(1)(A)(ii) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(ii)).[26]

To be clear, section 10 of the Act (12 U.S.C. 5909) would not apply to a foreign custodian holding payment stablecoin reserves where there is no nexus to the United States. This approach ensures that the Act does not have an overly broad extraterritorial effect. However, holding payment stablecoin reserves for a permitted payment stablecoin issuer is clearly within the scope of section 10 of the Act (12 U.S.C. 5909). Moreover, because the definition of permitted payment stablecoin issuer is limited to persons formed in the United States, holding reserve assets for such persons entails a clear nexus to the United States.

A few commenters stated that eligibility should be based more on the activities performed and the institution's ability to satisfy segregation, custody, and operational standards than on balance sheet size or charter type, so that institutions of varying sizes and charter types can participate if they meet the relevant standards. The OCC's proposed definition would not have been inconsistent with these comments. The proposed definition did not impose any limitations for eligible financial institutions based on size. Moreover, the proposed rule did not limit eligible financial institutions to any particular charter type. Rather, the proposed rule imported the requirement in section 10 of the Act (12 U.S.C. 5909) that the institution be subject to supervision by certain State or Federal regulators.

Another commenter suggested that the OCC align the definition with established statutory and regulatory frameworks, such as the Bank Holding Company Act and State money transmitter laws, to promote consistency and reduce ambiguity. The OCC does not believe that further alignment is necessary or appropriate. Section 10 of the Act (12 U.S.C. 5909) sets forth the supervisory framework that applies to custodians of reserve assets, and the proposed rule merely ensures that such custodians comply with section 10. Any further changes to the definition could result in narrowing or broadening the types of institutions that may hold reserve assets in custody in a manner inconsistent with the statute.

One commenter stated that the definition of ''eligible financial institution'' should not be conditioned on complying with sections 10(b), (c), and (d) of the GENIUS Act (12 U.S.C. 5909(b)–(d)). The OCC disagrees. Sections 10(b), (c), and (d) each cross-reference to persons described in section 10(a) of the Act (12 U.S.C. 5909(a)). Thus, a person that is eligible to hold payment stablecoin reserve assets in custody under section 10(a) (12 U.S.C. 5909(a)) is subject to the requirements of sections 10(b), (c), and (d) of the Act, as applicable.[27]

The OCC is adopting the definition, with technical changes. The final rule renumbers paragraphs (1)(a) through (c) as (1)(i) through (iii) and replaces in paragraph (iii) a reference to paragraph (2) with a reference to paragraph (1)(ii). The final rule also includes additional clarifying language stating that a person must have in place policies and procedures designed to ensure compliance with paragraph (ii) (whereas the proposal referred to policies and procedures without explicit language clarifying that the person must have such policies and procedures in place). The definition appropriately encompasses the institutions that may hold reserve assets under section 10 of the GENIUS Act (12 U.S.C. 5909).

Excessive. The OCC received a few comments recommending the OCC define ''excessive'' both for purposes of affiliate transactions and for purposes of relevant capital requirements. The OCC is not adding a definition of ''excessive'' because the final rule does not use the term. The OCC has revised the provisions of the rule that used the word ''excessive'' in the proposal to provide additional clarity.

Executive officer. The OCC proposed a definition for the term ''executive officer,'' which is used in connection with the proposed application process in § 15.30. Under the proposal, the term ''executive officer'' would have been defined to mean the president, chairman, chief executive officer, chief operating officer, chief financial officer, chief investment officer, chief risk officer, chief technology officer, and Bank Secrecy Act officer. The term would have included any individual serving in the functional capacity of the listed titles or their equivalent, without regard to title, salary, or compensation. The OCC based the proposed ''executive officer'' definition on the definition of ''Senior executive officer'' in 12 CFR 5.51(c)(4) with certain modifications to conform the language and format to apply to the relevant individuals and entities under this part and to streamline the definition to the positions most likely to be relevant for permitted payment stablecoin issuers. The OCC received no comments addressing the definition of ''executive officer.'' The OCC is adopting the definition as proposed.

Fair value. The OCC proposed to include a definition of the term ''fair value'' in the rule. As proposed, the term ''fair value'' would mean the fair value as determined under GAAP.[28] Fair value is used in the definition of ''reserve asset value,'' which pertains to the reserve asset requirements in § 15.11. The OCC received no comments addressing the definition of ''fair value.'' The OCC is adopting the definition as proposed.

FDIC. The OCC proposed to define FDIC to mean the Federal Deposit Insurance Corporation. This accords with the definition of ''Corporation'' in section 2(5) of the GENIUS Act (12 U.S.C. 5901(5)). The OCC opted not to use the term ''Corporation'' to describe the FDIC because that term is used more broadly in the definition of person, discussed below. The OCC received no comments addressing the definition of ''FDIC.'' The OCC is adopting the definition as proposed.

Federal branch. The OCC proposed to define the term ''Federal branch'' as provided in the GENIUS Act, 12 U.S.C. 5901(10). Specifically, the proposed rule provided that the term ''Federal branch'' would have the meaning set forth in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(s)(2)). The OCC received no comments addressing the definition of ''Federal branch.'' The OCC is adopting the definition as proposed.

Federal qualified payment stablecoin issuer. The OCC proposed to define the term ''Federal qualified payment stablecoin issuer'' consistent with the definition of that term in the GENIUS Act, 12 U.S.C. 5901(11), with certain technical and conforming changes. Specifically, the proposed rule defined the term ''Federal qualified payment stablecoin issuer'' to mean the following entities that are approved by the OCC, pursuant to proposed § 15.30, to issue payment stablecoins: (1) a nonbank entity, other than a State qualified payment stablecoin issuer; (2) an uninsured national bank that is chartered by the OCC, pursuant to title LXII of the Revised Statutes; or (3) a

[26] Uninsured deposits of insured banks are, however, permissible reserve assets under section 4(a)(1)(ii) of the GENIUS Act (12 U.S.C. 5903(a)(1)(ii)).

[27] Under section 10(a)(2) of the Act, 12 U.S.C. 5909(a)(2), a custodian of reserve assets must comply with the requirements of section 10(b) of the Act unless the custodian holds the reserve assets (or other covered assets) in accordance with similar requirements as required by a primary Federal payment stablecoin regulator, the Securities and Exchange Commission, or the Commodity Futures Trading Commission.

[28] *See* discussion of the definition of ''GAAP,'' *infra.*

Federal branch.[29] The proposed definition modified the definition provided in the GENIUS Act by reformatting it to reduce repetition and replacing the statutory term ''Comptroller'' with the proposed defined term ''OCC.'' In addition, the proposed definition replaced cross references to section 5 of the GENIUS Act (12 U.S.C. 5904) with a cross reference to the proposed implementing provisions in proposed § 15.30. The OCC received no comments addressing the definition of ''Federal qualified payment stablecoin issuer.'' The OCC is adopting the definition as proposed.

Federal Reserve. The proposed rule defined the term ''Federal Reserve'' to mean the Board of Governors of the Federal Reserve System. This accords with the definition of ''Board'' in section 2(3) of the GENIUS Act (12 U.S.C. 5901(3)). The OCC proposed to use the term ''Federal Reserve'' in place of ''Board'' for greater clarity because the proposed rule refers separately to boards of directors in various sections. The OCC received no comments addressing the definition of ''Federal Reserve.'' The OCC is adopting the definition as proposed.

Foreign payment stablecoin issuer. The OCC proposed to define the term ''foreign payment stablecoin issuer'' consistent with the definition of that term in the GENIUS Act, 12 U.S.C. 5901(12), with certain clarifying changes. Under the proposed rule, the term ''foreign payment stablecoin issuer'' would have meant an issuer of a payment stablecoin that is (1) organized under the laws of or domiciled in a foreign country or a territory of the United States; and (2) not a permitted payment stablecoin issuer as defined in 12 U.S.C. 5901(23). The proposed definition of foreign payment stablecoin issuer referred to the statutory definition of ''permitted payment stablecoin issuer'' because the proposed rule generally limits the definition of that term to entities subject to the OCC's jurisdiction.

Although included in the statutory definition, the proposed definition did not include the phrase ''Puerto Rico, Guam, American Samoa, or the Virgin Islands.'' The OCC determined that the omitted phrase was redundant and may lead to confusion. Under the proposed definition, a foreign payment stablecoin issuer may be organized under the laws of, or domiciled in, any territory of the United States. The United States currently has five permanently inhabited territories: the four listed above and the Northern Mariana Islands. The OCC received no comments addressing the definition of ''foreign payment stablecoin issuer.'' The OCC is adopting the definition as proposed with a technical modification to add commas.

Freeze and seize. The OCC received one comment stating that the OCC should separately define ''freeze'' and ''seize.'' The final rule does not use these terms. Therefore, the OCC has elected not to define them. To the extent they are used in the forthcoming rule considering BSA/AML and sanctions, the OCC may consider defining these terms.

GAAP. The OCC proposed to include a definition of the term GAAP in the rule. The proposed rule defined the term ''GAAP'' to mean generally accepted accounting principles as used in the United States. GAAP is used in the definition of fair value and proposed subparts B and E. The OCC received no comments addressing the definition of ''GAAP.'' The OCC is adopting the definition as proposed.

Immediate family. The OCC proposed to define the term ''immediate family'' to mean the spouse of an individual, the individual's minor children, and any of the individual's children (including adults) residing in the individual's home. This term is relevant to the risk management standards concerning insider and affiliate transactions and is consistent with the definition in Regulation O (12 CFR part 215). The OCC received no comments addressing the definition of ''immediate family.'' The OCC is adopting the definition as proposed.

Insider. The OCC proposed to define the term ''insider'' to mean a principal shareholder, an executive officer, a director, or a related interest of, or the immediate family member of, any of these persons. This term is relevant to the risk management standards concerning insider and affiliate transactions and is adapted from the definition in Regulation O (12 CFR part 215). The term was adapted to make direct reference to the immediate family of a principal shareholder, executive officer, or director to mitigate the risk of an insider engaging in inappropriate transactions to benefit immediate family members. The OCC received no comments addressing the definition of ''insider.'' The OCC is adopting the definition as proposed with a technical modification to add commas.

Insured credit union. The OCC proposed to define the term ''insured credit union'' consistent with the definition of the term in the GENIUS Act, 12 U.S.C. 5901(14). As proposed, the term ''insured credit union'' would have the meaning given to that term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752). The OCC received no comments addressing the definition of ''insured credit union.'' The OCC is adopting the definition as proposed.

Insured depository institution. The OCC proposed to define the term ''insured depository institution'' consistent with the definition of the term in the GENIUS Act, 12 U.S.C. 5901(15). As proposed, the term ''insured depository institution'' would have been defined to mean an insured depository institution, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(2)) and an insured credit union.

The OCC received a number of comments addressing the definition of ''insured depository institution.'' Some commenters stated that the OCC should define ''insured depository institution'' by reference to section 3(c)(3) of the Federal Deposit Insurance Act rather than the generally applicable definition in section 3(c)(2) of the same Act. Commenters stated that excluding uninsured branches from the definition distorts markets and contradicts the GENIUS Act's intent to decouple payment stablecoins from deposit insurance and to promote competitive equity among United States banks and foreign banks and would be inconsistent with generally applicable principles of national treatment. Commenters also stated that using the broader definition in section 3(c)(3) of the Federal Deposit Insurance Act would be consistent with longstanding principles concerning national treatment. Commenters stated that the term ''insured depository institution'' should not depend on actual FDIC insurance coverage (per section 3(c)(2) of the Federal Deposit Insurance Act) but rather on comprehensive regulation and enforcement (per section 3(c)(3) of the Federal Deposit Insurance Act). A few commenters stated that legislative history supports treating foreign banking organizations the same as United States banks and indicates that reserve demand deposits need not be insured so long as they are held at regulated institutions. Some commenters pointed to prior Federal Reserve interpretations under section 716 of the Dodd-Frank Act as support for reading ambiguous statutory

[29] Certain Federal qualified payment stablecoin issuers may be subsidiaries of national banks. For example, an uninsured national trust bank may be a subsidiary of a national bank. An insured national bank or Federal savings association seeking to issue a payment stablecoin would, however, need to do so through a subsidiary, as required under the GENIUS Act. *See* 12 U.S.C. 5901(23) (defining ''permitted payment stablecoin issuer'').

language to include branches and agencies of foreign banks. One commenter also stated that, while reserve balances generally should be held onshore to support onshore redemption, issuers should be able to hold a portion of reserves offshore to facilitate minting and burning for non-U.S. holders outside United States banking hours. Another commenter argued that using the broader definition would be consistent with the goals of the statute and would not create undue risk given the applicable prudential regulations.

The OCC is adopting the definition as proposed. Under section 3(c)(2) of the Federal Deposit Insurance Act, ''insured depository institution'' means any bank or savings association the deposits of which are insured by the FDIC. This is the definition that generally applies under the Federal Deposit Insurance Act. Section 3(c)(3) provides that the term ''insured depository institution'' also includes any uninsured branch or agency of a foreign bank or a commercial lending company owned or controlled by a foreign bank for purposes of 12 U.S.C. 1818. As this provision is clearly limited to section 8 of the Federal Deposit Insurance Act, it would not be a permissible interpretation of the Act to extend the provision beyond section 8 of the Federal Deposit Insurance Act. Therefore, uninsured branches and agencies of foreign banks or commercial lending companies owned or controlled by foreign banks are not insured depository institutions under the Act based on a plain reading of the Act. Because the statute is clear that uninsured branches and agencies of foreign banks are not insured depository institutions, the OCC is not amending the definition.

Monetary value. The OCC proposed to define the term ''monetary value'' as provided in the GENIUS Act, 12 U.S.C. 5901(17). The proposal defined ''monetary value'' to mean a national currency or deposit (which, as discussed above, would have the same meaning as in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)) denominated in a national currency. The OCC received no comments addressing the definition of ''monetary value.'' The OCC is adopting the definition as proposed.

Money. Section 2(18) of the GENIUS Act, 12 U.S.C. 5901(18), defines ''money'' to mean a medium of exchange currently authorized or adopted by a domestic or foreign government, including a monetary unit of account established by an intergovernmental organization or by agreement between two or more countries. This definition is relevant to the definition of national currency (discussed below) and certain reserve assets described in section 4(a)(1)(A)(i) and (iv) of the Act (12 U.S.C. 5903(a)(1)(A)(i) and (iv)). Section 4(a)(1)(A)(i) refers to money standing to the credit of an account with a Federal Reserve Bank. Section 4(a)(1)(A)(iv) refers to money received under a repurchase agreement that meets certain requirements. Although the statutory definition of money clearly includes monetary value, it may be unclear at any point in time whether other mediums of exchange have been authorized or adopted by a domestic or foreign government. Moreover, whether a medium of exchange meets this definition may change based on actions of foreign governments or intergovernmental organizations. While it may be relatively clear whether an asset is money standing to the credit of an account with a Federal Reserve Bank, there could be ambiguity as to whether a particular asset is money received under a repurchase agreement. Therefore, to promote clarity and uniformity for purposes of determining whether certain assets would qualify as money, the OCC proposed that it would provide prior confirmation publicly that a medium of exchange (other than those defined as monetary value) meets the definition of ''money'' under the GENIUS Act. Specifically, the OCC proposed to define ''money'' for the purposes of part 15 to mean monetary value and any other medium of exchange that the OCC has determined is currently authorized or adopted by a domestic or foreign government, including a monetary unit of account established by an intergovernmental organization or by agreement between two or more countries.

The OCC received a few comments addressing the definition of ''money.'' Commenters generally supported the proposed definition but suggested that the OCC incorporate certain additions. One commenter suggested that the OCC confirm that ''money'' does not include particular crypto-assets. Another commenter suggested that the OCC should not rely solely on the statutory language and should clarify that determinations issued are binding on all primary Federal payment stablecoin regulators to prevent interagency inconsistency. Another commenter suggested that the OCC should explicitly state that any OCC determination must remain grounded in whether the instrument functions as a government-authorized medium of exchange, consistent with the GENIUS Act's structure and purpose.

The OCC is adopting the definition as proposed. The OCC believes that this definition will provide sufficient clarity as to what constitutes money and will allow the OCC to assess the facts presented by any particular medium of exchange. The OCC declines to confirm in regulation text whether any particular asset that is not monetary value is money because such regulation text may become dated quickly as governments may authorize or deauthorize such assets. To promote clarity and consistency, the OCC intends to publish any determinations it makes as to whether an asset constitutes ''money'' for purposes of part 15.

National currency. The OCC proposed to define the term ''national currency'' as provided in the GENIUS Act, 12 U.S.C. 5901(19). Under the proposed rule, the term ''national currency'' would have meant (1) a Federal Reserve note (as the term is used in the first undesignated paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 411)); (2) money standing to the credit of an account with a Federal Reserve Bank; (3) money issued by a foreign central bank; or (4) money issued by an intergovernmental organization pursuant to an agreement by two or more governments. The OCC received no comments addressing the definition of ''national currency.'' The OCC is adopting the definition as proposed.

Nonbank entity. The OCC proposed to define the term ''nonbank entity'' as provided in the GENIUS Act, 12 U.S.C. 5901(20). Specifically, under the proposed rule, the term ''nonbank entity'' would have meant a person that is not a depository institution or subsidiary of a depository institution. Consistent with the statutory definition, a nonbank entity could include a non-subsidiary affiliate of a depository institution.

One commenter requested that the OCC confirm that the definition of nonbank entity can include certain FinCEN-registered money services businesses. The OCC confirms that any person that is not a depository institution or a subsidiary of a depository institution is a nonbank entity. Thus, money services businesses that are not depository institutions (or subsidiaries of depository institutions) are nonbank entities and may apply to become Federal qualified payment stablecoin issuers. In addition, as described above, under the final rule, an uninsured credit union would constitute a nonbank entity due to revisions to the definition of depository

institution. The OCC is adopting the definition as proposed.

Nonpublic personal information. The OCC proposed to define the term ''nonpublic personal information'' to mean information (1) provided by a customer to a permitted payment stablecoin issuer to obtain a financial product or service, (2) about a customer resulting from any transaction involving a financial product or service between the permitted payment stablecoin issuer and a customer, or (3) otherwise obtained by the permitted payment stablecoin issuer in connection with providing a financial product or service to a customer. The proposed definition did not include publicly available information, unless such publicly available information, when combined with other information, would reveal the identity of a customer or would enable access to the customer's account.

The OCC received several comments addressing the definition of nonpublic personal information. Commenters generally argued that the proposed definition is overbroad and should better distinguish between nonpublic customer information and information associated with public blockchain activity or institutional transactions. Some commenters suggested that the OCC should limit the definition to information that is not publicly available and that an issuer receives in confidence through a direct customer relationship. Several commenters suggested that the OCC clarify that information recorded on a public blockchain is not nonpublic personal information for purposes of the rule. One commenter suggested that Travel Rule data transmitted as part of interbank settlement merits special treatment and should be dealt with under BSA/AML confidentiality frameworks rather than consumer privacy frameworks.

The OCC is adopting the proposed definition, with certain modifications to the proposed exclusion for publicly available information. Under the final rule, nonpublic personal information does not include publicly available information, including information broadly accessible through a distributed ledger. The final rule eliminates language concerning the use of publicly available information that, when combined with other information, would reveal the identity of a customer or would enable access to the customer's account. The OCC determined that this language was unnecessary because the reference to ''other information'' concerned nonpublic information. Under the final rule, for example, public wallet addresses would not be considered nonpublic information, but certain additional private information that could tie a customer's identity to the address would be considered nonpublic information. Nonpublic information would also generally include sensitive customer information, described in greater detail below. The OCC believes that the revisions to the definitions of nonpublic personal information and customer combined with revisions to the final rule's risk management requirements will provide greater clarity for permitted payment stablecoin issuers while ensuring that customer information is appropriately protected. With respect to the comment concerning Travel Rule data, the comment is outside the scope of this final rule. The OCC is clarifying that the provisions of 12 CFR part 15 relating to nonpublic personal information do not alter any obligations under BSA/AML frameworks.

OCC. The OCC proposed to substitute the term ''OCC'' for the term ''Comptroller'' as defined in the GENIUS Act, 12 U.S.C. 5901(4). Specifically, the proposed rule defined the term ''OCC'' to mean the Office of the Comptroller of the Currency. The proposed definition would refer to the organization as opposed to the individual who occupies the office. Using the term OCC is consistent with the agency's terminology in other regulations for which it has rulemaking authority. The OCC received no comments addressing the definition of ''OCC.'' The OCC is adopting the definition as proposed.

Outstanding issuance value. The OCC proposed to define the term ''outstanding issuance value'' to mean the total consolidated par value of all of a payment stablecoin issuer's payment stablecoins. This would have included the combined total par value of different brands of payment stablecoin issued by the payment stablecoin issuer (*e.g.,* under a white-label arrangement) to the extent that such an arrangement complies with proposed 12 CFR part 15. The OCC sought comment on the proposed definition, including whether it should include the par value of the issuance of non-consolidated affiliates. The OCC received several comments addressing the definition of ''outstanding issuance value.'' Commenters generally suggested that the OCC adopt a definition that is clear, operationally workable, and aligned with reserve backing and accurate measurement of circulating supply. Commenters urged the OCC to clarify the scope of ''outstanding issuance value.'' Commenters also asked the OCC to clarify the treatment of repurchased but not yet permanently retired tokens, temporary discrepancies caused by technical or legal compliance processes, and the application of the definition in multi-issuer or branded stablecoin arrangements.

The OCC is adopting the definition with certain clarifications. Under the final rule, ''outstanding issuance value'' means the total par value of all the payment stablecoins issued by a permitted payment stablecoin issuer. The final rule's definition is consistent with the statute's focus on the issuer, rather than the issuer's affiliates. Absent conduct suggesting an attempt to evade the GENIUS Act or an arrangement that suggests that reserve assets may be inadequate or misallocated relative to outstanding issuance value, the OCC does not believe that it is generally necessary to include payment stablecoins issued by affiliates that are not consolidated into a permitted payment stablecoin issuer in the outstanding issuance value of the permitted payment stablecoin issuer.[30] Not including non-consolidated affiliates will also help ensure that business models that rely on multiple SPV issuers are not penalized relative to other business models. Such SPV issuers would only need to hold reserve assets against the payment stablecoins that they issue, rather than also needing to hold reserves against an affiliate's payment stablecoins. In response to commenters, the OCC reiterates that, to be included within outstanding issuance value, an instrument must be a payment stablecoin, which means that the issuer must have incurred the obligation to convert, redeem, or repurchase the payment stablecoin. Thus, for purposes of calculating the outstanding issuance value, a digital asset that is, or is designed to be, used as a means of payment or settlement but for which there is not yet an obligation to convert, redeem, or repurchase for a fixed amount of monetary value would not be included in the calculation. A digital asset minted (*i.e.,* created on a blockchain) by an issuer to be a payment stablecoin would not be included in the calculation of outstanding issuance value until the

[30] The OCC notes, however, that in certain situations, the OCC may consider a non-consolidated affiliate's issuance. For example, if a State qualified payment stablecoin issuer treats affiliate-issued stablecoins as fungible with its own and appears to use affiliates to stay under the $10 billion threshold for transition to the Federal framework, such behavior could indicate an attempt to evade the GENIUS Act or could, depending on the facts and circumstances, indicate unusual and exigent circumstances within the meaning of section 7 of the GENIUS Act (12 U.S.C. 5906).

obligation to convert, redeem, or repurchase the digital asset for a fixed amount of monetary value is incurred. For example, an issuer may mint a digital asset that it keeps in treasury, but it would not be considered a payment stablecoin or included in the calculation of the issuer's outstanding issuance value until the digital asset was transferred to a third party or the issuer was otherwise obligated to convert, redeem, or repurchase the digital asset. Similarly, once an issuer permanently removes a payment stablecoin from circulation (*e.g.,* burns the payment stablecoin), the digital asset would cease to be included in the calculation of outstanding issuance value.

Payment stablecoins for which holder access has been restricted pursuant to applicable law, regulation, or court order would remain payment stablecoins, as the issuer's obligation to convert, redeem, or repurchase for a fixed amount of monetary value continues and the associated reserves are maintained in segregated accounts pending resolution of the restriction. Likewise, if an issuer repurchased a payment stablecoin but did not burn the payment stablecoin, the stablecoin in the permitted payment stablecoin issuer's inventory would not be part of the issuer's outstanding issuance value because the issuer has no obligation to convert, redeem, or repurchase the stablecoin when it is in the issuer's inventory (but would become part of the outstanding issuance value if the permitted payment stablecoin issuer subsequently put the payment stablecoin back into circulation). Therefore, the definition of ''outstanding issuance value'' only includes payment stablecoins for which the permitted payment stablecoin issuer is obligated to convert, redeem, or repurchase for a fixed amount of monetary value (*i.e.,* generally the issued payment stablecoins in circulation). The final rule also excludes the word ''consolidated'' from the definition of outstanding issuance value. This is to better facilitate the use of SPV issuers under part 15. This revision makes clear that each SPV issuer only needs to have reserve assets backing the payment stablecoins that it issues. The OCC is adding the word ''consolidated'' to certain other provisions of part 15 (relating to certain non-financial companies and nonbank State qualified payment stablecoin issuers) in light of this change and to maintain consistency with the requirements of the GENIUS Act.

Payment stablecoin. The OCC proposed to define the term ''payment stablecoin'' consistent with the definition of the term in the GENIUS Act, 12 U.S.C. 5901(22), with certain technical changes. Under the proposal, the term ''payment stablecoin'' would have meant a digital asset (i) that is, or is designed to be, used as a means of payment or settlement; and (ii) the issuer of which (A) is obligated to convert, redeem, or repurchase for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value; and (B) represents that such issuer will maintain, or creates the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value.[31] For a digital asset to be a payment stablecoin under proposed part 15, the issuer must be obligated to convert, redeem, or repurchase the digital asset for a fixed amount of monetary value.

The proposed definition also provided that a ''payment stablecoin'' does not include a digital asset that is a (i) national currency; (ii) deposit (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)), including a deposit recorded using distributed ledger technology; or (iii) security, as defined in section 2 of the Securities Act of 1933 (15 U.S.C. 77b), section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c), or section 2 of the Investment Company Act of 1940 (15 U.S.C. 80a–2). The GENIUS Act's definition of ''payment stablecoin'' also contains language clarifying that ''no bond, note, evidence of indebtedness, or investment contract that was issued by a permitted payment stablecoin issuer shall qualify as a security solely [because the issuer satisfies] the conditions in [paragraph (1) of the proposed ''payment stablecoin'' definition], consistent with section 17 of the Act.'' The GENIUS Act provides that this language was included ''for the avoidance of doubt.'' The OCC determined that it was not necessary to include this language in the proposed ''payment stablecoin'' definition because section 17 of the GENIUS Act includes amendments to the cited Federal statutes that clarify that payment stablecoins are not securities.

The OCC received several comments addressing the definition of ''payment stablecoin.'' Commenters generally sought a definition that more clearly distinguished payment stablecoins covered by the Act from other digital instruments. Commenters suggested that the OCC clarify the scope of the definition so that it captures instruments primarily designed and used for payment or settlement and excludes products that function instead as securities, investment instruments, tokenized deposits, closed-loop or community tokens, algorithmic tokens, or other nonpayment digital assets. Other commenters asked the OCC to clarify certain definitional boundaries (*e.g.,* payment or settlement use, redemption obligations, reserve backing, and instruments structured under United States or foreign securities laws). One commenter stated that the definition should include products designed to circumvent the GENIUS Act. Some commenters stated that the term was appropriately defined.

Commenters requested clarity regarding potential disclosures relating to the definition of payment stablecoin, with one commenter stating that the OCC should treat the core properties of a payment stablecoin—that it represents stable value and that it creates a reasonable appearance or expectation of redemption at or near par—disjunctively in order to assess violations of marketing restrictions. The commenter further stated that, by treating either condition as sufficient, the OCC would prevent regulatory arbitrage, ensure consistent application of core protections, and maintain competitive neutrality. A different commenter stated that unregistered foreign payment stablecoin issuers of dollar-denominated crypto-assets purporting to hold a stable dollar-referenced value cannot use the term ''payment stablecoin'' to describe such instruments. Section 4(e)(3) of the GENIUS Act (12 U.S.C. 5903(e)(3)) prohibits the marketing of products as payment stablecoins when they are not issued pursuant to the GENIUS Act. The Department of the Treasury has enforcement authority with respect to that provision of the Act, so the OCC is not addressing that marketing prohibition in this final rule.

The OCC is adopting the definition as proposed. The proposed definition aligns with the statutory definition and thus appropriately captures the scope of instruments that are payment stablecoins under the GENIUS Act. As in the proposed definition, the OCC does not believe that it is necessary to separately specify that ''no bond, note, evidence of indebtedness, or investment contract that was issued by a permitted payment stablecoin issuer shall qualify as a security solely [because the issuer satisfies] the conditions in [paragraph (1) of the ''payment stablecoin'' definition], consistent with section 17 of the Act'' because the GENIUS Act

[31] The OCC interprets the statutory language in 12 U.S.C. 5901(22) to mean that the permitted payment stablecoin issuer would be obligated to meet redemption requests at par.

amended the pertinent securities laws to specify that a payment stablecoin is not a security. Thus, including this language from section 2(22)(B)(iii) would be redundant. The OCC believes that other changes to the definition may risk deviating from the scope of instruments intended to be captured by the GENIUS Act's definitions. In response to specific comments, the OCC notes that instruments for which an issuer is not obligated to convert, redeem, or repurchase for a fixed amount of monetary value are outside the scope of the definition of ''payment stablecoin'' for purposes of part 15. Redefining ''payment stablecoin'' based on the characteristics noted by certain commenters would be inconsistent with the statutory definition. Because the definition of monetary value does not include payment stablecoins, a stablecoin that is redeemable for a payment stablecoin is not itself a payment stablecoin. Thus, for purposes of the OCC's implementation of the Act, a ''wrapped'' stablecoin generally would not be a payment stablecoin. The OCC does not believe that it is necessary to define payment or settlement. The statute merely requires that a payment stablecoin be, or be designed to be, used as a means of payment or settlement. It does not require that the primary purpose of the payment stablecoin be payment or settlement. In light of this fact, and the broad scope of what is generally included within payment or settlement, the OCC expects that most stablecoins could meet this prong of the definition of payment stablecoin. Accordingly, the OCC does not believe that it is necessary to further define ''payment'' or ''settlement'' for purposes of the definition of payment stablecoin. The OCC also believes that the definition appropriately and clearly excludes deposits, including deposits in tokenized form, and that additional revisions are not necessary to distinguish payment stablecoins from deposits.

Payment stablecoin holder. The proposed rule did not define the term ''payment stablecoin holder'' but used the term in several sections and requested comment on whether to define ''stablecoin holder.'' The OCC received several comments concerning the definition of customer and payment stablecoin holder. Several comments recommended distinguishing the two terms, with ''customer'' referring to persons that interact directly with an issuer and ''payment stablecoin holder'' referring to beneficial owners of payment stablecoins (or, in some cases, beneficial and legal owners of payment stablecoins). One comment stated that the OCC should not define the term ''stablecoin holder.'' This commenter asserted that the GENIUS Act does not use the term (but rather uses the term ''holder of any payment stablecoin'') and stated that defining a new term would exceed the authority delegated to the OCC. This commenter also stated that the GENIUS Act concerns payment stablecoins only, so the term would be overbroad. Others stated that the OCC should define the term to include both legal and beneficial owners of payment stablecoins. These commenters stated that interpreting the term was within the OCC's interpretive authority.

In response to these comments, the OCC is defining the term ''payment stablecoin holder'' rather than ''stablecoin holder.'' This will clarify that the scope is limited to holders of payment stablecoins that are issued or held in custody by entities engaged in activities that are subject to the GENIUS Act. The final rule defines payment stablecoin holder to mean the beneficial owner of a payment stablecoin. The OCC is defining this term solely for purposes of the OCC's implementing regulations and doing so does not exceed the OCC's authority. The definition in the final rule does not affect, for example, the insolvency provisions in section 11 of the GENIUS Act. The definition will appropriately distinguish persons that merely control a payment stablecoin on another's behalf (*e.g.,* custodians) from persons that would benefit economically from a payment of interest or yield on a payment stablecoin. This definition, combined with the change to the definition of customer, will help ensure that part 15 is not unduly burdensome and that the requirements with respect to payment stablecoin holders and customers are appropriately scoped. The OCC notes that the GENIUS Act uses the term ''payment stablecoin holder'' six times in other contexts in addition to the substantially similar phrase ''holder of any payment stablecoin'' in the context of the yield prohibition. The statute is unclear as to whether the term refers to any person that controls a payment stablecoin or rather the beneficial owner of a payment stablecoin. Clarifying this point is important to implementing the statutory prohibition against paying interest or yield solely in connection with the holding, use, or retention of a payment stablecoin in section 4(a)(11) of the GENIUS Act (12 U.S.C. 5903(a)(11)).

Permitted payment stablecoin issuer. The OCC proposed to define the term ''permitted payment stablecoin issuer'' consistent with the definition of the term in the GENIUS Act, 12 U.S.C. 5901(23), with certain modifications. Specifically, the proposed definition would have limited the definition to the entities that are subject to the OCC's jurisdiction, including State qualified payment stablecoin issuers subject to the OCC's regulatory authority under section 4 of the GENIUS Act (12 U.S.C. 5903).[32] In addition, the proposed definition cross-referenced the relevant proposed implementing provision in place of the statutory provision included in the GENIUS Act's definition. Under the proposed rule, the term ''permitted payment stablecoin issuer'' would have meant a person formed in the United States that is a (1) subsidiary of an insured national bank or Federal savings association that has been approved to issue payment stablecoins under § 15.30; (2) Federal qualified payment stablecoin issuer; or (3) State qualified payment stablecoin issuer subject to the OCC's regulatory or enforcement authority under section 4 of the GENIUS Act (12 U.S.C. 5903).[33]

The OCC received several comments addressing the definition of ''permitted payment stablecoin issuer.'' Comments generally supported the definition but suggested clarifications to identify the responsible issuing entity while avoiding overinclusion of affiliated parties or service providers. Commenters also suggested that the OCC clarify which entities qualify as issuers (*e.g.,* uninsured Federal branches, agencies, and multi-issuer payment stablecoin structures). Other commenters asked the OCC to distinguish between entities with primary legal and economic responsibility for issuing, redeeming, and backing payment stablecoins and service providers or intermediaries that perform ancillary technical, distribution, or support functions.

The OCC is adopting the definition as proposed. The definition closely matches the statutory definition, with minor changes to reflect the OCC's jurisdiction. In response to comments, the OCC confirms that, consistent with the definition of payment stablecoin in section 2 of the GENIUS Act (12 U.S.C.

[32] *See* Scope section-by-section analysis, *supra.*

[33] In addition, the OCC has enforcement authority pursuant to section 7(e)(2) of the GENIUS Act (12 U.S.C. 5906(e)(2)) with respect to certain nonbank State qualified payment stablecoin issuers in unusual and exigent circumstances. Proposed § 15.16 would address the requirements applicable to certain State qualified payment stablecoin issuers under unusual and exigent circumstances, but the OCC is not proposing to include State qualified payment stablecoin issuers that come within the OCC's jurisdiction solely as a result of section 7(e)(2) of the GENIUS Act within the definition of permitted payment stablecoin issuer.

5901(22)), for the purposes of part 15, the permitted payment stablecoin issuer is the entity that is obligated to convert, redeem, or repurchase a tendered payment stablecoin for a fixed amount of monetary value (not including a digital asset denominated in a fixed amount of monetary value). A service provider that is not obligated to convert, redeem, or repurchase is not a permitted payment stablecoin issuer. Under the statute, a variety of entities may be permitted payment stablecoin issuers subject to the OCC's jurisdiction, including subsidiaries of insured national banks or Federal savings associations; Federal qualified payment stablecoin issuers that are approved by the OCC, comprising uninsured national banks, Federal branches, or nonbank entities; or State qualified payment stablecoin issuers that transition to the OCC's regulatory framework. As discussed above, due to changes in the definition of ''depository institution,'' an uninsured credit union would qualify as a nonbank and could seek to be a Federal qualified payment stablecoin issuer.

Person. The OCC proposed to define the term ''person'' as the term is defined in the GENIUS Act, 12 U.S.C. 5901(24). As proposed, the term ''person'' would have meant an individual, partnership, company, corporation, association, trust, estate, cooperative organization, or other business entity, incorporated or unincorporated.

The OCC received a few comments addressing the definition of ''person.'' Commenters generally agreed with the definition but sought clearer boundaries around which collective arrangements would be treated as associations. Commenters suggested that the OCC clarify that the definition applies to legally identifiable entities or organized groups capable of exercising governance or control. Other commenters also urged the OCC to address how the definition applies in decentralized or algorithmically governed structures, while another commenter supported keeping the definition broad.

The OCC is adopting the definition as proposed. The statutory definition of ''person'' in section 2(24) of the Act (12 U.S.C. 5901(24)) is broad and expressly includes individuals, partnerships, and both incorporated and unincorporated business entities. Accordingly, the OCC declines to exclude arrangements that are not legally identifiable as such arrangements may be included within the statutory definition. The OCC also declines to opine as to whether decentralized arrangements generally would constitute a person, as the determination would depend on the facts and circumstances of the arrangement. As with its other regulations, interested parties may request that the OCC provide interpretive guidance, as necessary.

Principal shareholder. The OCC proposed to define the term ''principal shareholder'' to mean a person who directly or indirectly or acting in concert with one or more persons, or together with members of their immediate family, will own, control, or hold 10 percent or more of the voting stock of the permitted payment stablecoin issuer or applicant. This definition is substantially similar to the definition used in the OCC's general licensing regulations in 12 CFR 5.20(d)(10).

The OCC received a few comments addressing the definition of ''principal shareholder.'' Commenters generally agreed with the definition but requested additional clarity regarding identifying control and significant ownership interests. Commenters suggested that the OCC clarify how the definition applies to governance rights and influences that may not take the form of traditional securities ownership. Other commenters suggested that the OCC clarify the meaning of ''acting in concert'' and align the definition with existing banking law concepts.

The OCC is adopting the definition as proposed. As discussed above, the OCC believes that it is unnecessary to define ''acting in concert'' for purposes of 12 CFR part 15 at this time. The OCC also believes that it is unnecessary to change the definition of principal shareholder. Retaining the proposed definition would maintain parity between the treatment of permitted payment stablecoin issuers and national banks and Federal savings associations.

Private key. The OCC proposed to define the term ''private key'' to mean the unique alphanumeric string that allows an individual to transfer a particular unit of a digital asset using a distributed ledger. While the preamble to the proposal noted that this definition was intended to include shards of a private key,[34] several commenters noted that the definition in the regulatory text nonetheless implies a static single-key architecture and does not easily fit with a distributed-key architecture, wherein cryptographic key shares are distributed across independent parties or hardware environments such that the full key material is not held in any one place and exists only as a mathematical construct realized at the moment of signing. The OCC has decided to modify the definition to more expressly address sharding. Under the final rule, private key means the cryptographic material, whether held in whole, in shares, or reconstructed ephemerally, that confers the ability to authorize a transaction on a distributed ledger.

Publicly available information. The OCC proposed to define the term ''publicly available information'' to mean any information that a person has a reasonable basis to believe is lawfully made available to the general public from: (1) Federal, State, or local government records; (2) widely distributed media; (3) disclosures to the general public that are required to be made by Federal, State, or local law; or (4) a distributed ledger.[35]

The OCC received a few comments addressing the definition of ''publicly available information.'' Commenters generally suggested that the OCC provide clearer treatment of blockchain-based information within the privacy framework. Some commenters suggested that the definition should apply to distributed ledger or on-chain transaction data. Other commenters suggested that privacy protections should not be eliminated where issuers can control disclosure or where transaction data can be linked to identifiable individuals. Other commenters suggested that certain transaction-level data should be treated as protected financial records rather than excluded from coverage altogether.

The OCC is adopting the definition as proposed. The OCC believes that this approach, combined with revisions to § 15.13 and to the definitions of customer and nonpublic personal information, appropriately provides a robust data protection requirement with respect to customers of a permitted payment stablecoin issuer. As discussed in greater detail above, in response to commenters, the revisions to the definition of nonpublic personal information discussed above further emphasize that information broadly available through a distributed ledger would generally be outside the scope of nonpublic personal information.

Registered public accounting firm. The OCC proposed to define the term ''registered public accounting firm'' as provided in the GENIUS Act, 12 U.S.C. 5901(26). Under the proposal, the term ''registered public accounting firm'' would have meant a registered public accounting firm set forth in section 2 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7201). The OCC received no

[34] Sharding refers to dividing a private key into distinct pieces for enhanced security.

[35] As noted above, the term ''distributed ledger'' is limited to publicly available and accessible ledgers.

comments addressing the definition of ''registered public accounting firm.'' The OCC is adopting the definition as proposed.

Related interest. The OCC proposed to define the term ''related interest'' of a person to mean (1) a company that is controlled by that person; or (2) a political or campaign committee that is controlled by that person or the funds or services of which will benefit that person. This term is relevant to the risk management standards for insider and affiliate transactions and is derived from the definition in Regulation O (12 CFR part 215). The OCC received no comments addressing the definition of ''related interest.'' The OCC is adopting the definition as proposed.

Reserve asset. The OCC proposed to define the term ''reserve asset'' to mean an asset maintained by a permitted payment stablecoin issuer of a type enumerated in § 15.11(b).[36] The OCC received no comments addressing the definition of ''reserve asset.'' The OCC is adopting the definition as proposed.

Reserve asset value. The final rule defines reserve asset value to mean the sum of: (1) the total fair value of reserve assets, net of any associated liabilities, other than United States coins and currency; and (2) the total face value of reserve assets comprising United States coins and currency. The proposed rule did not include this term. Rather, it required all reserve assets to be valued at fair value for the purpose of ensuring that the total outstanding issuance value is backed on at least a 1 to 1 basis by reserve assets. The OCC is adopting this new term because, in the case of United States coins and currency, it is more appropriate to value these items based on face value. This confirms, for instance, that a permitted payment stablecoin issuer may not back a payment stablecoin based on the metallic or collector value associated with a particular coin (which may be volatile). The OCC acknowledges that the use of coins or currency to back a payment stablecoin is likely to be rare. Thus, in most instances, reserve asset value will be determined purely by the fair value of reserve assets. The final rule also clarifies that reserve asset value is calculated net of associated liabilities. Notably, this makes clear that assets that a permitted payment stablecoin issuer is obligated to repurchase under a repurchase agreement may not be essentially double counted when determining the permitted payment stablecoin issuer's reserve asset value. If, for example, an issuer holds a Treasury security as a reserve asset and pledges the security pursuant to a repurchase agreement, the issuer would include the cash received under the repurchase agreement in its reserve asset value but must also subtract its obligation to repurchase the Treasury security.

Senior management. Proposed §§ 15.14(i) and 15.42(a)(5) referred to the senior management of a permitted payment stablecoin issuer. The proposal did not define the term but sought comment on whether to do so. The OCC received a few comments stating that the term should align with ''executive officers'' or a subset thereof. One commenter said that a formal definition was not necessary, but the term should be read to include the individuals responsible for day-to-day management, rather than looking to titles alone. Section 15.42 refers to senior management only in a list of examples of factors the OCC may consider. Accordingly, the OCC does not believe that a definition is necessary for senior management in § 15.42. With respect to § 15.14, as discussed in greater detail below, the OCC is providing additional specificity as to which executive officers must attest to each quarterly report. The final rule, like the proposal, does not define ''senior management.''

Sensitive customer information. One commenter requested that the OCC either define ''sensitive customer information'' or else replace the term with customer nonpublic information. To provide greater clarity, under the final rule, ''sensitive customer information'' means any combination of components of customer information that would reveal the identity of the customer or allow someone access to the customer's account, including a customer's public key in conjunction with the customer's private key.

Share account. The final rule includes the new term ''share account.'' Under the final rule, this term means an ''account'' as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752(5)). The term is relevant to the reserve asset provisions in § 15.11 and the operational backstop provisions in § 15.41.

Stablecoin Certification Review Committee. The OCC proposed to define the term ''Stablecoin Certification Review Committee'' consistent with the definition in the GENIUS Act, 12 U.S.C. 5901(27) by incorporating the statutory definition. The proposed rule defined the term ''Stablecoin Certification Review Committee'' as having the meaning set forth in section 2 of the GENIUS Act (12 U.S.C. 5901(27)). The OCC received no comments addressing the definition of ''Stablecoin Certification Review Committee.'' The OCC is adopting the definition as proposed.

State. The OCC proposed to define the term ''State'' as provided in the GENIUS Act, 12 U.S.C. 5901(28). The proposed rule defined the term ''State'' to mean each of the several States of the United States, the District of Columbia, and each territory of the United States.[37] The OCC received no comments addressing the definition of ''State.'' The OCC is adopting the definition as proposed.

State-chartered depository institution. The OCC proposed to define the term ''State-chartered depository institution'' as provided in the GENIUS Act, 12 U.S.C. 5901(29). Specifically, the proposed rule would have defined the term ''State-chartered depository institution'' as having the meaning as set forth for ''State depository institution'' in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(5)). The OCC received no comments addressing the definition of ''State-chartered depository institution.'' The final rule, however, does not use the term. The final rule therefore does not adopt the term.

State payment stablecoin regulator. The OCC proposed to define the term ''State payment stablecoin regulator'' as provided in the GENIUS Act, 12 U.S.C. 5901(30). As such, the OCC proposed to define ''State payment stablecoin regulator'' to mean a State agency that has primary regulatory and supervisory authority in such State over entities that issue payment stablecoins. The OCC received no comments addressing the definition of ''State payment stablecoin regulator.'' The OCC is adopting the definition as proposed.

State qualified payment stablecoin issuer. The OCC proposed to define the term ''State qualified payment stablecoin issuer'' consistent with the definition of that term in the GENIUS Act, 12 U.S.C. 5901(31), with a non-substantive, clarifying change. Under the proposed rule, the term ''State qualified payment stablecoin issuer'' would have meant an entity that is (1) legally established under the laws of a

[36] A permitted payment stablecoin issuer may maintain reserve assets at a custodian.

[37] United States territories are also referenced in the proposed definition of ''foreign payment stablecoin issuers.'' The GENIUS Act and the proposed and final rules address the potential overlap created by the inclusion of territories in both definitions by defining ''foreign payment stablecoin issuers'' to exclude ''permitted payment stablecoin issuers.'' Therefore, if a payment stablecoin issuer is a ''permitted payment stablecoin issuer'' because it is a ''State qualified payment stablecoin issuer'' that is legally established under the laws of a territory of the United States then by definition it cannot be a ''foreign payment stablecoin issuer.''

State and approved to issue payment stablecoins by a State payment stablecoin regulator; and (2) not an uninsured national bank chartered by the OCC pursuant to title LXII of the Revised Statutes, a Federal branch, an insured depository institution, or a subsidiary of such an uninsured national bank, Federal branch, or insured depository institution. The proposed definition clarified the definition of ''State qualified payment stablecoin issuer'' provided in the GENIUS Act by adding the phrase ''an uninsured'' before the term ''national bank'' in the list of excluded subsidiaries to parallel the description of excluded entities in the preceding list. The OCC received no comments addressing the definition of ''State qualified payment stablecoin issuer.'' The OCC is making one clarifying edit, replacing the term ''entity'' with the term ''person,'' because ''person'' is a defined term in the final rule. Otherwise, the OCC is adopting the definition as proposed.

Subsidiary. The OCC proposed to define the term ''subsidiary'' as provided in the GENIUS Act, 12 U.S.C. 5901(32). Specifically, the proposed rule would have defined the term ''subsidiary'' as having the meaning set forth in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(4)). Because the term in section 3 of the Federal Deposit Insurance Act relies on the definitions of ''company'' and ''control'' in section 2 of the Bank Holding Company Act, the OCC proposed to incorporate those definitions in proposed part 15, tailored to the extent necessary, as described above.

The OCC received no comments addressing the definition of ''subsidiary.'' The OCC is adopting the definition as proposed.

Tokenized form. The proposed rule did not define ''tokenized form'' but used the term in § 15.11 and § 15.32. The OCC received several comments requesting that the OCC clarify the meaning of the term ''tokenized form.'' Under section 4(a)(1)(A)(viii) (12 U.S.C. 5903(a)(1)(A)(viii)) of the GENIUS Act, certain reserve assets may be in tokenized form, but the Act does not define what constitutes tokenized form. Commenters generally agreed that any definition should ensure that a reserve asset in tokenized form provides the same legal rights as a reserve asset in non-tokenized form. Several commenters urged the OCC to provide clearer and more coordinated standards for tokenized reserve assets, including through coordination with the SEC, Federal Reserve, FDIC, CFTC, FinCEN, and Treasury and, in some cases, a joint policy statement or standardized supervisory assessment framework. Some commenters stated that tokenized forms of otherwise eligible reserve assets should be presumptively permissible and evaluated under a principles-based approach focused on economic substance, legal certainty, enforceable and bankruptcy-remote claims to the underlying assets, custody and segregation protections, and the issuer's ability to promptly monetize the assets to meet redemptions. Several commenters suggested that eligibility should not depend on the technology used to record ownership. Some commenters urged the OCC to provide a transparent approval process or public list of permissible tokenized reserve assets. Other commenters suggested that case-by-case approval should not be required and that assets approved in conventional form should automatically be permitted in tokenized form.

The OCC agrees with commenters that it is important to define ''tokenized form'' and to ensure that reserve assets in tokenized form provide the same rights as reserves in non-tokenized form. The final rule defines ''tokenized form'' to mean, with respect to an asset, that: (1) the authoritative record of the asset is maintained using distributed ledger technology, regardless of whether a corresponding non-tokenized instrument or account entry also exists; and (2) the legal rights conferred by the asset are identical to those that would be conferred by a non-tokenized form of the asset under applicable law. This definition is generally consistent with the scope of the term ''tokenized security'' in the Federal Banking Agencies FAQ concerning tokenized securities.[38] The definition includes a digital asset that represents, and provides identical legal rights as, a traditionally issued asset as well as a digitally native asset that provides the identical legal rights as a non-tokenized version of the same asset. For example, a money market fund that qualified as a permissible reserve asset under section 4(a)(1)(A)(vi) of the Act (12 U.S.C. 5903(a)(1)(A)(vi)) could be held in tokenized form if the fund was issued directly on a distributed ledger. Alternatively, a token representing ownership of a traditionally issued money market fund could also be a reserve in tokenized form, depending on how the tokenization was implemented and which rights would be conferred on the holder. In such instances, the tokens would need to provide identical rights to those associated with owning the asset held in custody. The OCC encourages any permitted payment stablecoin issuer that seeks clarity on whether a specific asset is an asset in tokenized form and whether such asset qualifies as a permissible reserve asset under § 15.11(b) to consult with the OCC as to whether the asset qualifies.

Trading volume. The OCC proposed to define the term ''trading volume'' to mean the aggregate number of payment stablecoins issued by a permitted payment stablecoin issuer that were purchased or sold on exchanges during a specified period of time. In the proposal, the term was to be used as a metric to determine a permitted payment stablecoin issuer's examination schedule.

The OCC received several comments addressing the definition of ''trading volume.'' Commenters suggested that the definition be revised to be more analytically useful, operationally feasible, and tailored to the realities of digital asset markets. Commenters suggested that the OCC distinguish trading activity from settlement activity. Other commenters suggested that the OCC clarify the scope of ''exchange,'' particularly how it applies to centralized and decentralized platforms, while limiting reporting expectations to data reasonably available to issuers.

The final rule eliminates the term ''trading volume'' because, as described below, the final rule does not use trading volume as a metric to determine a permitted payment stablecoin issuer's examination schedule. Permitted payment stablecoin issuers would be required to provide certain information concerning trading volume as part of the reports required under § 15.14 of the final rule, but the OCC has concluded that the instructions for the reporting form are the more appropriate place to define ''trading volume'' for those purposes.

United States customer. The OCC proposed to define the term ''United States customer'' to mean a customer that resides in the United States. The OCC received several comments addressing the definition of ''United States customer.'' Commenters suggested that the OCC adopt a clearer and more administrable standard for identifying United States customers. Commenters generally supported further clarification of the term. Some commenters sought clarification on how United States residence or location should be determined, whether the definition should be tied to direct customer relationships, and how it

[38] *See* OCC Bulletin 2026–7, ''Regulatory Capital: Interagency FAQs on Tokenized Securities'' (March 5, 2026), *https://www.occ.gov/news-issuances/bulletins/2026/bulletin-2026-7.html.*

should apply to institutional customers, foreign intermediaries, and secondary-market activity. Some commenters suggested that the OCC adopt an approach that is more operationally workable and aligned with jurisdictional boundaries. Other commenters cautioned against creating a definition that assumes a level of precision issuers may not be able to achieve. To provide additional clarity, the final rule revises § 15.31(a)(3) (discussed in greater detail below) and redefines ''United States customer'' to mean a customer that, at the time of onboarding: (1) is an individual and resides in the United States,[39] (2) is incorporated or organized under the laws of the United States or any State; or (3) has its principal place of business in the United States.[40] Specifying both when and how a person is determined to be a United States customer will enhance the operability of this provision of the final rule and provide clear lines for foreign payment stablecoin issuers and customers. This definition does not affect the definition of ''customer'' for purposes of other laws and regulations, including privacy laws and the Bank Secrecy Act and its implementing regulations.

4. Severability (§ 15.3)

Proposed § 15.3 provided that the provisions of the proposed rule were separate and severable from one another. If any provision is stayed or determined to be invalid, it was the OCC's intention that the remaining provisions would have continued in effect.

As noted in the proposal,[41] the OCC generally intends all of its rulemakings to be severable to the extent portions of the rule are determined to be invalid regardless of the presence of a severability clause. The OCC proposed to include an explicit severability clause because of the novelty and scope of the GENIUS Act and the importance of ensuring as much certainty as possible for the regulatory framework for payment stablecoins.

The OCC received no comments addressing § 15.3 and is finalizing § 15.3 as proposed.

5. Reservation of Authority (§ 15.4)

The OCC is adding, in the final rule, a general reservation of authority provision. Section 15.4 provides that the OCC may waive or modify the requirements of part 15 or adopt different procedures implementing this part, as necessary, to administer and carry out the requirements of the GENIUS Act (12 U.S.C. 5901 *et seq.*), including with respect to ensuring financial stability, ensuring timely redemption of payment stablecoins, and protecting the claims of payment stablecoin holders. The OCC is adopting this provision in recognition of the nascent nature of the stablecoin industry and the novelty of the GENIUS Act framework. The OCC will only exercise this reservation of authority where consistent with the GENIUS Act and where circumstances justify its use. The OCC generally uses reservations sparingly to address unanticipated circumstances for which a rulemaking is not appropriate.

B. Subpart B—Permitted Payment Stablecoin Issuers and State Qualified Payment Stablecoin Issuers

1. Activities (§ 15.10)

a. Overview of Changes From Proposed Rule to Final Rule for § 15.10

The OCC is adopting § 15.10 as proposed with modifications, as described below.

The OCC is modifying the language in paragraph (a) for clarity and replacing the word ''only'' with ''not engage in any activity other than the following:'' to make clear that the list of activities in final § 15.10(a) is an exclusive list of activities that permitted payment stablecoin issuers may engage in. Within the § 15.10(a) list of permitted activities for permitted payment stablecoin issuers, the OCC is adopting § 15.10(a)(1) through (7) as proposed.

The OCC is adopting § 15.10(a)(8), renumbered as § 15.10(a)(11), as proposed except for a clarification that other activities include the hiring of third parties.

The OCC is adding three new activities to the list of permitted activities. First, in new § 15.10(a)(8) of the final rule, the agency allows permitted payment stablecoin issuers to hold as principal non-payment stablecoin digital assets as necessary to pay fees, including customer fees and network fees, or to conduct necessary testing on distributed ledger-based platforms, provided that such principal holdings shall not exceed quantities necessary for the reasonably foreseeable conduct of such activities. Second, in § 15.10(a)(9) of the final rule, the OCC allows permitted payment stablecoin issuers to establish a trust arrangement under applicable law for reserve assets, including the granting of a security interest in reserve assets, provided that any security interest in reserve assets granted to the trustee is for the sole benefit of payment stablecoin holders, the arrangement with the trustee does not impair the permitted payment stablecoin issuer's ability to timely redeem payment stablecoins in the normal course of business prior to default, the arrangement does not introduce claims that would compete with the claims of payment stablecoin holders of payment stablecoins issued by the permitted payment stablecoin issuer in the event of the insolvency of the permitted payment stablecoin issuer, and the arrangement with the trustee does not impair the ability of a receiver of the permitted payment stablecoin issuer to direct the prompt transfer or liquidation of the reserve assets in order to pay claims to payment stablecoin holders. Third, the OCC is adding the management of foreign exchange risk, subject to the requirements of § 15.13(a)(10) of the final rule, as a permitted activity. Section 15.13(a)(10) of the final rule provides the relevant risk management principles for foreign exchange risk.

The OCC is adopting the rule of construction in § 15.10(b) as proposed, renumbered as § 15.10(b)(1). Additionally, the OCC is adopting an additional provision in final § 15.10(b)(2) that provides that nothing in § 15.10(a) limits the authority of a permitted payment stablecoin issuer to engage in an activity consistent with section 4(a)(7)(B) of the Act (12 U.S.C. 5903(a)(7)(B)). This change is made to clarify that permitted payment stablecoin issuers may engage in digital asset service provider activities specified by the Act, and activities incidental thereto, that are authorized by the OCC and independently authorized by applicable Federal or State law, to the extent that any such State law is not inconsistent with Federal law.

Within the list of prohibitions listed in § 15.10(c), the OCC is adopting § 15.10(c)(1) through (3), and (c)(6) as proposed. The agency is modifying § 15.10(c)(4) to eliminate the rebuttable presumption in § 15.10(c)(4)(i) through (iii) and to replace the use of ''holder of any payment stablecoin'' with ''payment stablecoin holder,'' which is now a defined term, in § 15.10(c)(4).

[39] For the purposes of determining residence in the United States, United States citizens are considered to be residents. For non-United States citizens, residence is determined by the test in 26 CFR 301.7701(b)-1. Pursuant to that test, an individual will be considered to be residing in the United States if he or she is a lawful permanent resident (*i.e.,* has a green card) or meets the substantial presence test. 26 CFR 301.7701(b)-1(b) and (c).

[40] *See Hertz Corp. v Friend,* 559 U.S. 77 (2010) (describing the test for what constitutes a corporation's principal place of business).

[41] 91 FR 10210.

Additionally, the OCC is making clarifying edits to § 15.10(c)(5) to remove paragraph (c)(5)(iii)(C) and add new § 15.10(d), which provides that pursuant to section 4(a)(2)(ii) of the GENIUS Act (12 U.S.C. 5903(a)(2)(ii)) and § 15.10(c)(5)(iii)(B), the OCC approves, for all permitted payment stablecoin issuers, repurchase agreements wherein the Treasury bills that are sold as purchased securities have a maturity of 93 days or less. The OCC is also modifying paragraph (c)(5)(iii)(B) to provide that a permitted payment stablecoin issuer may receive approval of a repurchase agreement by order or pursuant to final § 15.10(d).

b. Description of Proposed Rule, Comments, and Final Rule

Enumerated Permissible Activities in § 15.10(a)(1) Through (4): Core Statutory Activities

Consistent with the statute, the OCC proposed to mirror the permitted activities set forth in section 4(a)(7)(A) of the GENIUS Act (12 U.S.C. 5903(a)(7)(A)) in proposed § 15.10(a)(1) through (4), which include: (1) issuing payment stablecoins; (2) redeeming payment stablecoins; (3) managing reserves related to the issuance or redemption of payment stablecoins, including purchasing, selling, and holding reserve assets or providing custodial services for reserve assets, consistent with applicable State and Federal law; and (4) providing custodial or safekeeping services for payment stablecoins, required reserves, or private keys of stablecoins consistent with the GENIUS Act, as implemented in proposed subpart C. Additionally, consistent with section 4(a)(7)(A)(v) of the GENIUS Act (12 U.S.C. 5903(a)(7)(A)(v)), proposed § 15.10(a)(8) provided that a permitted payment stablecoin issuer may undertake any other activities that directly support any of the activities in proposed § 15.10(a)(1) through (4).

With respect to the activities enumerated in proposed § 15.10(a)(1) through (4) as implementations of section 4(a)(7)(A)(i) through (iv), commenters did not express substantive concerns. Two commenters offered suggestions about how the agency should list or otherwise recognize additional permissible activities, including integration with payment networks and development of compliance tools. One comment suggested the regulation remain narrowly focused such that stablecoin issuers may engage in necessary activities, but any additional activities should be closely connected to stablecoin issuance.

With respect to integration with payment networks and development of compliance tools, without more information, the OCC cannot determine whether such activities are permissible. While these activities might qualify as directly supporting activities pursuant to final § 15.10(a)(11), the OCC would need to assess the facts underlying these activities prior to making such a determination. The OCC invites permitted payment stablecoin issuers to seek clarification from the OCC as to whether a particular activity is permissible. For the list of enumerated permissible activities in § 15.10(a)(1) through (4), the agency declines to focus only on necessary activities and activities closely connected to stablecoin issuance. The commenter's requirement of a close connection to stablecoin issuance alters the statutory test and does not account for activities that are authorized, such as redemption of payment stablecoins, managing related reserves, and providing custodial or safekeeping services. Accordingly, the OCC is adopting § 15.10(a)(1) through (4) as proposed, with a clarifying edit in paragraph (a) to replace the word ''only'' with ''not engage in any activity other than the following:'' to make clear that the list of activities in final § 15.10(a) is an exclusive list of activities that permitted payment stablecoin issuers may engage in.

Activities that Directly Support: Proposed § 15.10(a)(8), Renumbered as Final § 15.10(a)(11)

In proposed § 15.10(a)(8), consistent with section 4(a)(7)(A)(v) of the GENIUS Act (12 U.S.C. 5903(a)(7)(A)(v)), the OCC included a provision that would have provided that permitted payment stablecoin issuers may undertake any other activities that directly support the issuance of payment stablecoins, redemption of payment stablecoins, managing reserves related to the issuance or redemption of payment stablecoins, or providing custodial or safekeeping services for payment stablecoins. One such example of an activity that would qualify under proposed § 15.10(a)(8) because it directly supports both issuance and redemption of payment stablecoins would be the permitted payment stablecoin issuer's holding of non-payment stablecoin digital assets as principal necessary for testing a distributed ledger, whether internally developed or acquired from a third party. Such an activity may be necessary to ensure that the permitted payment stablecoin issuer may operate safely and effectively on a distributed ledger.[42]

Several commenters suggested the OCC provide additional examples of activities that directly support such activities or otherwise indicate that such activities are broader than what the proposed rule illustrated. Among these commenters, one argued that the above example (holding non-payment stablecoin digital assets as principal for testing a distributed ledger) could imply the agency would limit permissible activities that directly support to those that are necessary. This commenter suggested a broader definition. Various commenters suggested the agency provide specific examples of directly supporting activities, and some commenters offered examples. Such examples included, among other things, the operation of distributed ledger nodes, smart contract deployment, wallet infrastructure and key management, blockchain transaction monitoring, and settlement and liquidity services.

As an alternative to listing examples, one commenter suggested that the agency publish separate interpretive guidance specifically on the scope of proposed § 15.10(a)(8) activities. Several commenters suggested the agency take a narrow understanding of ''directly support'' in section 4(a)(7)(A)(v) of the Act (12 U.S.C. 5903(a)(7)(A)(v)). These commenters suggested a broad interpretation could allow such activities to expand over time or overlap with activities that generally require State licensing. One commenter recommended that activities permissible under the ''directly support'' prong should only be those that materially facilitate certain other permitted activities or are operationally necessary for those activities.

Congress's use of ''directly support'' demonstrates the statute does not limit permitted activities to those that are necessary for one of the statute's enumerated activities.[43] Such a reading would add a substantive limitation—namely, that the activities be strictly necessary—that is absent from the text of the statute. Given the innovation in the payment stablecoin industry, a limitation of ''directly support'' to what

[42] As discussed *infra,* this activity is enumerated as a permissible activity, subject to certain conditions in final rule § 15.10(a)(8).

[43] In addition, Congress uses the word ''necessary'' in other sections of the Act. *See, e.g.,* sections 4(a)(4)(A)(i)(III) and 7(e)(1)(C) of the Act (12 U.S.C. 5903(a)(4)(A)(i)(III) and 5906(3)(1)(C)). This is important because ''Congress generally acts intentionally when it uses particular language in one section of a statute but omits it in another.'' *Dep't of Homeland Sec.* v. *MacLean,* 574 U.S. 383, 391 (2015) (citation modified).

is strictly necessary for one current operational model could also stifle innovation. The above example of holding crypto-assets as principal for testing does not necessarily illustrate the outer perimeter of activities that fit under the ''directly support'' prong; it is only intended to be a clarifying example.

With respect to the examples for which commenters requested clarification, the OCC declines to opine on the permissibility of such activities in the final rule without additional information. The OCC encourages permitted payment stablecoin issuers to seek clarification from the OCC regarding the permissibility of such activities.

One commenter suggested the agency adopt a brand- and technology-neutral interpretation of the Act's ''directly support'' language. As indicated above, the agency is aware technology and business models may change substantially. To avoid locking industry participants into the current standards that may quickly become outdated and run counter to the Act's goals, the OCC plans to, consistent with its general technology-neutral approach, follow a brand- and technology-neutral understanding of the ''directly support'' language in the statute and rule.

Some comments combined discussion of the scope of proposed § 15.10(a)(8) permissible activities with discussion of the appropriate risk management practices. One such commenter stated that some of the activities under proposed § 15.10(a)(8) may entail novel risks. Refer to the discussion below on § 15.13 for more about appropriate risk management practices.

One commenter stated that the list of enumerated activities in proposed § 15.10(a) is incomplete and risks being read as an exclusive list. The commenter suggested other activities that should qualify, including the facilitation of independently provided customer rewards and benefits, liquidity management, and interaction with third-party protocols or distributed ledger infrastructure.

Without additional information, the OCC declines to add the facilitation of independently provided customer rewards as an enumerated activity. The OCC expects liquidity management generally to be permissible as an activity that directly supports issuance, redemption, and the management of reserves. With respect to interaction with third-party protocols or distributed ledger infrastructure, without additional information, the OCC cannot categorically determine whether such activities are permissible in the final rule. However, permitted payment stablecoin issuers may seek additional clarity from the OCC to the extent issuers have questions on the permissibility of an activity. With respect to the list in § 15.10(a) being incomplete, the OCC may amend these regulations over time, including the list of enumerated activities.

As discussed in more detail below, in the final rule, the OCC is adopting proposed § 15.10(a)(8), renumbered as § 15.10(a)(11), with a change to explicitly permit the hiring of third parties to engage in certain activities.

Third-Party Investment Advisers, Asset Managers, and Separately Managed Accounts

Several comments spoke to the permissibility of permitted payment stablecoin issuers hiring third-party investment advisers or asset managers of separately managed accounts, where a custodian controls investment decisions within parameters set by the owner. Some commenters stated that separately managed accounts can be an operationally prudent tool because they allow reserve assets to remain legally owned and controlled by the issuer while improving transparency and reducing operational risk. Some of these commenters argued these investment advisers and asset managers would directly support the management of reserves and reserves' liquidity under § 15.10(a)(3) of the proposed rule. Thus, these commenters argued that a stablecoin issuer may hire investment advisers or asset managers under proposed § 15.10(a)(8). One prospective stablecoin issuer asked for confirmation that its particular structure with a third-party reserve manager would be permissible.

The OCC agrees that a permitted payment stablecoin issuer may use an investment adviser or asset manager and may use a separately managed account for reserve assets because such arrangements directly support stablecoin issuance and reserve management. Accordingly, the OCC is clarifying in final § 15.10(a)(11) that a permitted payment stablecoin issuer may undertake any other activities, including the hiring of third parties, that directly support any of the activities described in § 15.10(a)(1) through (a)(4). The hiring of third-party investment advisers or asset managers is an example of an activity that is permissible under § 15.10(a)(11) of the final rule. However, such activities should be designed to ensure compliance with the GENIUS Act, 12 CFR part 15, and other applicable laws and regulations.

Collateral Trustee Arrangements

A few commenters addressed the topic of collateral trustee arrangements. As explained in the preamble to the proposed rule, a collateral trustee arrangement involves a permitted payment stablecoin issuer granting a first-priority security interest in reserve assets to the collateral trustee for the benefit of stablecoin holders. The proposal asked for comments on whether collateral trustee arrangements would protect the reserve assets.

Many commenters responded that the OCC should expressly permit collateral trustee arrangements used solely for the benefit of stablecoin holders. Several of those commenters stated that the rehypothecation prohibition applies to issuer self-dealing in which issuers exploit reserve assets for their own benefit. Those commenters noted that a collateral trustee arrangement is intended to further the purposes behind the prohibition against rehypothecation, in that it exists to ensure that reserves remain available to back outstanding payment stablecoins, protect stablecoin holders, and promote financial stability. Several commenters supported requirements for permitted payment stablecoin issuers to include disclosures for holders related to a collateral trustee arrangement. Commenters advocated for disclosures involving the identity and regulatory status of the trustee, the nature and scope of the security interest, the circumstances in which the trustee may enforce its rights, and any limitations on the issuer's ability to access or substitute reserve assets. Some commenters also advocated for requirements that issuers obtain express and affirmative consent from holders regarding the collateral trustee structure before purchasing to ensure holders can understand and evaluate the arrangement.

The OCC agrees that permitted payment stablecoin issuers may establish such collateral trustee arrangements. These arrangements may have the benefit of protecting payment stablecoin holders by providing a potential mechanism for administration of the reserve assets prior to bankruptcy or receivership. It is possible that such arrangements can facilitate redemptions more quickly than would occur in insolvency or bankruptcy. The OCC plans to continue to evaluate such arrangements to ensure they are serving their intended purpose of protecting payment stablecoin holders. To the extent it becomes clear that such arrangements add uncertainty or do not adequately protect payment stablecoin holders, the OCC will consider whether

such arrangements should continue to be permissible.

To effectuate the use of collateral trustee arrangements, the OCC is adding a new § 15.10(a)(9) clarifying that it is permissible for a permitted payment stablecoin issuer to establish a trust arrangement under applicable law for reserve assets, including the granting of a security interest in reserve assets, provided that: (i) any security interest in reserve assets granted to the trustee is for the sole benefit of payment stablecoin holders; (ii) the arrangement with the trustee does not impair the permitted payment stablecoin issuer's ability to timely redeem payment stablecoins in the normal course of business prior to default; (iii) the arrangement does not introduce claims that would compete with the claims of payment stablecoin holders of payment stablecoins issued by the permitted payment stablecoin issuer in the event of the insolvency of the permitted payment stablecoin issuer; and (iv) the arrangement with the trustee does not impair the ability of a receiver of the permitted payment stablecoin issuer to direct the prompt transfer or liquidation of the reserve assets in order to pay claims to payment stablecoin holders.[44] These conditions are designed to ensure that such arrangements do not compete with the claims of payment stablecoin holders both prior to default as well as following default and that such arrangements are not used to grant security interests on behalf of parties that are not payment stablecoin holders. The OCC is considering whether to issue a separate rulemaking providing further clarity regarding this activity. As part of such a rulemaking, the OCC may consider including additional conditions, such as conditions to clarify the rights that the trust agreement must expressly provide to the receiver of, or bankruptcy trustee for, an insolvent permitted payment stablecoin issuer.

With respect to the payment of the trustee in collateral trustee arrangements, it would be a violation of the condition in § 15.10(a)(9)(i) if the trustee were paid from the proceeds of the reserve asset collateral because the trustee holds a security interest in such collateral.

The OCC declines to require a disclosure regime for collateral trustee arrangements at this time. Mandating a disclosure regime will not be effective at this point as the practice is nascent and the arrangements may vary extensively, such that mandatory disclosure may not capture the important aspects of such arrangements and could lead to customer confusion or a lack of relevant information. The OCC is also not requiring permitted payment stablecoin issuers to obtain express consent from payment stablecoin holders prior to entering into such arrangements. The OCC believes that the conditions set forth in § 15.10(a)(9)(i) through (iii) are designed to protect payment stablecoin holders and obviate the need to require affirmative consent.

Fees Associated With Purchasing or Redeeming

In addition to the activities outlined in section 4(a)(7) of the GENIUS Act (12 U.S.C. 5903(a)(7)), for the sake of clarification, proposed § 15.10(a)(5) would have provided that permitted payment stablecoin issuers may assess fees that are associated with the purchasing or redeeming of payment stablecoins. This power is inherent in the activities described above and is explicitly recognized in section 4(a)(1)(B)(ii) of the Act (12 U.S.C. 5903(a)(1)(B)(ii)).

One commenter recommended that the OCC confirm expressly that permitted payment stablecoin issuers may charge certain fees to generate revenue, including fees for minting and burning stablecoins and fees to collect a share of network transaction fees. The commenter recommended that the final rule permit alternate fee structures subject to supervisory review and that the final rule require disclosure of all fee structures.

With respect to the commenter's suggestion about the inclusion of fees, the OCC does not believe further elucidation of this provision is necessary as it is intended to encompass a broad set of fees. The OCC addresses the assessment of fees in non-payment stablecoin digital assets in more detail below. To the extent an issuer has questions regarding whether a fee structure is permissible, it may reach out to the OCC. With respect to the commenter's concern regarding disclosure of fee arrangements, as discussed below, final § 15.12(e)(1)(iv) requires disclosure of all fees associated with purchasing or redeeming payment stablecoins. Accordingly, the OCC is adopting § 15.10(a)(5) as proposed, which allows permitted payment stablecoin issuers to assess fees associated with purchasing or redeeming payment stablecoins.

Acting as Principal or Agent With Respect to Payment Stablecoins

The proposed rule, in § 15.10(a)(6), also would have included the permitted activities outlined in section 16(b) of the GENIUS Act (12 U.S.C. 5915(b)), namely acting as principal or agent with respect to any payment stablecoin and paying fees to facilitate customer transactions.[45]

Addressing proposed § 15.10(a)(6), one commenter suggested distinguishing between principal and agent roles and then tying each to capital, liquidity, and operational risk controls. Several commenters also recommended that the OCC recognize activities in which permitted payment stablecoin issuers act as principal or agent with respect to payment stablecoins, either as separately enumerated activities under § 15.10(a), which sets out generally which activities a permitted payment stablecoin issuer may engage in, or as examples of activities that directly support certain activities under proposed § 15.10(a)(8). Commenters cited activities such as limited, risk-controlled principal activities supporting custody, settlement, payment, and liquidity functions; digital wallets and money transmission using payment stablecoins; facilitating customer purchases, sales, or redemptions of payment stablecoins; and holding payment stablecoins as principal to facilitate customer transactions. One commenter suggested addressing these examples in the preamble as published guidance. One commenter cautioned against adding prescriptive limits or conditions on principal or agency activities, arguing that the statute provides the relevant framework and that additional restrictions could narrow the flexibility that Congress intended. Another commenter noted that the OCC correctly does not view section 16(b) as an open-ended grant of authority.

With respect to the commenter who suggested distinguishing between principal and agent activities and tying each to capital, liquidity, and operational risk controls, the OCC notes that proposed § 15.10(a) serves a different function than the rule's risk

[44] To the extent a permitted payment stablecoin issuer utilizes a collateral trustee arrangement but maintains ownership and control over the reserve assets, the OCC expects that the reserve assets would continue to be reflected on the issuer's balance sheet rather than on that of the collateral trustee.

[45] Section 16(b) of the Act provides in part that ''Entities regulated by the primary Federal payment stablecoin regulators are authorized to engage in the payment stablecoin activities and investments contemplated by this Act, including acting as a principal or agent with respect to any payment stablecoin and payment of fees to facilitate customer transactions.'' *12 U.S.C. 5915(b).* The activities authorized under section 16(b) include, for example, acting as an agent for a customer with respect to the redemption of a payment stablecoin issued by a third party.

management requirements (final § 15.13). Section 15.10(a) identifies the activities that are permissible for a permitted payment stablecoin issuer. By contrast, final § 15.13 establishes risk management requirements designed to ensure that such issuers conduct permissible activities in a safe and sound manner. The commenter's suggestion therefore conflates two related but distinct inquiries: whether an activity is permissible for permitted payment stablecoin issuers; and whether and how the permitted payment stablecoin issuer may conduct the activity safely in accordance with the relevant risk management-related requirements.

With respect to the commenter's suggestion for the provision of digital wallets and money transmission using payment stablecoins, without additional detail, the OCC cannot definitively say that such activities are permissible. Money transmission is a broad term even if limited to payment stablecoins. To the extent the specific activity qualifies as an activity under § 15.10 (for example, the issuance or redemption of payment stablecoins), it is permissible. With respect to the provision of digital wallets, such an activity may be permissible but might also make the entity a custodian in certain circumstances depending on the scope of related services provided. Refer to the custody discussion below for more detail.

The commenter's proposed activities relating to facilitating purchases or sales of payment stablecoins on customers' behalf and acting as a customer agent for redemption of a payment stablecoin issued by a third party seem to fit within the enumerated activity in § 15.10(a)(6). Additionally, holding payment stablecoins as principal to facilitate customer transactions likely would also fall under § 15.10(a)(6).

With respect to the commenter that cautioned against adding prescriptive limits to § 15.10(a)(6), the OCC is not including any express limits or conditions around the manner in which a permitted payment stablecoin issuer may act as principal or agent in the final rule. However, payment stablecoins are not a permitted reserve asset.

One commenter recommended that the final rule confirm permitted payment stablecoin issuers may repurchase their stablecoins in secondary markets. The commenter explained that issuers may need to do so for several reasons, including stopping runs and managing the balance between circulating supply and holding additional reserve assets.

Permitted payment stablecoin issuers may repurchase their stablecoins on secondary markets under proposed § 15.10(a)(6). However, such transactions must not impair the ability of the permitted payment stablecoin issuer to satisfy its statutory redemption obligations or its ability to comply with the capital and liquidity requirements in the final rule. Additionally, any such transactions must otherwise comply with the Act, 12 CFR part 15, and other applicable law. The OCC is finalizing proposed § 15.10(a)(6) without change.

Paying Fees To Facilitate Customer Transactions

Consistent with section 16(b) of the GENIUS Act (12 U.S.C. 5915(b)), proposed § 15.10(a)(7) would have allowed permitted payment stablecoin issuers to pay fees to facilitate customer transactions (*e.g.,* network or ''gas'' fees). If an issuer's payment stablecoin operates on a blockchain that assesses transaction fees, then the issuer may choose to pay transaction fees on behalf of the customer. The OCC recognized in the proposal that if an issuer is paying transaction fees on certain distributed ledgers, the issuer may have to hold non-payment stablecoin digital assets to facilitate the payment of these transaction fees.[46] Similarly, the OCC recognized that the holding of non-payment stablecoin digital assets as principal necessary for testing a distributed ledger is a permissible activity.

Relatedly, the OCC solicited comment in the proposal about whether the final rule should explicitly include specific provisions addressing the permissibility of an issuer's holding of non-payment stablecoin digital assets to facilitate the payment of transaction fees.

Several commenters responded that the OCC should explicitly recognize that it may be necessary for permitted payment stablecoin issuers to hold non-payment stablecoin digital assets where they are incidental to, and necessary for, the provision of payment stablecoin services and do not constitute a proprietary trading strategy. Other commenters similarly stated the OCC should allow permitted payment stablecoin issuers to hold limited amounts of non-payment stablecoin digital assets to pay network protocol fees or to conduct testing. On the other hand, one commenter stated that holding non-payment stablecoin digital assets for testing is potentially risky and speculative, and that permitted payment stablecoin issuers should have to seek prior written approval from the OCC.

In response to the comments, the OCC is adding new § 15.10(a)(8), which provides that permitted payment stablecoin issuers may hold as principal non-payment stablecoin digital assets as necessary to pay fees, including customer fees and network fees, or to conduct necessary testing on distributed ledger-based platforms, subject to the conditions noted below. The OCC agrees with commenters that these activities should be expressly recognized because paying network fees may be necessary for permitted payment stablecoin issuers to operate and transact on certain blockchains and testing is appropriate to ensure that a permitted payment stablecoin issuer's systems are functioning as intended. As discussed in more detail below, the conditions the OCC is putting on holding such non-payment stablecoin digital assets obviates the need for a pre-approval process.

The OCC also asked in the proposal whether the final rule should include limitations on the amount of non-payment stablecoin digital assets that an issuer may hold at any time.

In response, several commenters stated that the final rule should not impose rigid limits on non-payment stablecoin digital asset holdings, with some citing potential future changes in technology and industry practices that may render rigid limits obsolete. Some commenters recommended instead that the OCC adopt a qualitative, principles-based supervisory approach based around clear internal controls, documentation, and risk management which ensures that non-payment stablecoin digital asset holdings are not commingled with or treated as reserve assets. In contrast, one commenter responded that the OCC should provide more prescriptive and stringent limitations on the holding of non-payment stablecoin digital assets. The commenter recommended that those limits be expressed as both an absolute dollar cap and a percentage and should be subject to regular reporting and examination. One commenter also stated that the amount of non-payment stablecoin digital assets should be capped as necessary for reasonably foreseeable transactions, such as one week of transactions, based on the permitted payment stablecoin issuer's needs from the last 30 days.

In final § 15.10(a)(8), the OCC is requiring that principal holdings of non-payment stablecoin digital assets to pay fees shall not exceed quantities necessary for the reasonably foreseeable

[46] *See OCC Interpretive Letter 1186* (November 18, 2025).

conduct of such activities.[47] The OCC declines to set a quantitative limit because the activities of permitted payment stablecoin issuers may vary, and a quantitative limit could be unnecessarily limiting. The OCC would expect that permitted payment stablecoin issuers would consider, among other things, historical data and expected network fees to determine how much non-payment stablecoin digital assets to hold in such a scenario. The OCC intends to evaluate over time whether this limit is appropriate. Final § 15.13 provides the principles-based risk management principles that apply to permitted payment stablecoin issuers, and consistent with those principles and the reserve asset requirements in final § 15.11, permitted payment stablecoin issuers will not be able to commingle or identify non-payment stablecoin digital assets or payment stablecoins as reserve assets.

The OCC also solicited comment about whether the final rule should limit the payment methods a permitted payment stablecoin issuer may use to assess fees, including whether the permitted payment stablecoin issuer may assess fees in digital assets other than payment stablecoins.

Several commenters responded that the final rule should not limit the methods of payment a permitted payment stablecoin issuer may accept when assessing fees. One such commenter responded that, if the OCC addresses non-fiat fee payments at all, it should be through a principles-based framework focused on transparency, risk management, and control discipline. Another commenter concurred and advocated a flexible, technology-neutral framework under which issuers are required to maintain transparent policies on fee assessment methods and disclose those methods to the OCC. Another commenter stated that the OCC should confirm in either the final rule or in subsequent guidance that a permitted payment stablecoin issuer must have appropriate procedures in place to ensure it can operate in a safe and sound manner if it accepts the payment of fees in the form of non-payment stablecoin digital assets.

The OCC declines to limit the methods of payment a permitted payment stablecoin issuer may receive at this time, provided that any such payment complies with applicable laws. As the market evolves, the OCC may reconsider whether certain methods of payment should be impermissible.[48] All permitted payment stablecoin issuers, including those that accept the payment of fees in the form of non-payment stablecoin digital assets, are subject to the risk management requirements set forth in § 15.13. Additionally, the OCC would expect that all permitted payment stablecoin issuers operate in a safe and sound manner regardless of whether they accept payment of fees in the form of non-payment stablecoin digital assets.

The OCC notes that, after a permitted payment stablecoin issuer assesses fees in the form of non-payment stablecoin digital assets, the issuer may only hold the collected fees for the purposes outlined in final § 15.10(a)(8), namely, to pay fees or to conduct necessary testing on distributed ledger-based platforms. To the extent a permitted payment stablecoin issuer holds non-payment stablecoin digital assets in excess of the amount necessary for the activities set forth in final § 15.10(a)(8), the OCC would expect that the issuer divest of such assets as soon as practicable.[49]

Managing Foreign Exchange Risk

Several commenters recommended that the OCC recognize that permitted payment stablecoin issuers that issue non-U.S. dollar-denominated stablecoins may engage in foreign exchange risk management as a permitted activity. Some of those commenters characterized the permissible foreign exchange risk management activities as conditional upon or related to the issuance of non-U.S. dollar-denominated stablecoins, while one commenter recommended the OCC allow broader powers related to foreign exchange risk management if the final rule permits non-U.S. dollar-denominated stablecoins and narrower powers if the final rule does not permit non-U.S. dollar-denominated stablecoins. Several commenters distinguished these foreign exchange management activities from purely speculative trading activities, while two such commenters recommended explicit prohibitions on speculative activities and regulatory controls to discourage speculation.

One commenter recommended against rigid supervisory rules or capital add-ons for foreign exchange risk in favor of expectations of safe and sound controls including board-approved risk appetites and independent risk oversight. One commenter recommended that foreign exchange risk management be understood as a tool to meet permitted payment stablecoin issuer reserve and redemption requirements, rather than insulating payment stablecoin holders from fundamental currency risk and recommended that any requirements imposed by the OCC focus on such reserve and redemption requirements rather than rigid limits or capital add-ons that constrain legitimate hedging activities.

The OCC agrees with commenters that engaging in foreign exchange risk management should be a permissible activity. Specifically, the definition of payment stablecoin in section 2(22) of the Act (12 U.S.C. 5901(22)) specifies that a payment stablecoin is a digital asset that the issuer ''is obligated to convert, redeem, or repurchase for a fixed amount of monetary value.'' Additionally, under section 2(17) of the Act (12 U.S.C. 5901(17)), ''monetary value'' means ''a national currency or deposit . . . denominated in a national currency.'' These provisions may reasonably be read to indicate that payment stablecoins are not necessarily limited to U.S. dollar-denominated stablecoins because it suggests that issuers may issue payment stablecoins backed by other types of national currencies. However, the list of permissible reserve assets that issuers may hold are generally U.S. dollar- or U.S. government-based reserve assets. Accordingly, to the extent that a permitted payment stablecoin issuer seeks to issue a non-U.S. dollar-denominated payment stablecoin, it could incur substantial foreign exchange risk or else be limited to using a very narrow subset of reserve assets.

Such foreign exchange risk would make it difficult for the issuer to ensure that it is able to meet the requirements of § 15.11 and § 15.13. The OCC therefore believes that managing foreign exchange risk is a permissible activity under managing reserves related to the issuance or redemption of payment stablecoins under § 15.10(a)(3) and is permissible under final § 15.10(a)(11) as an activity that directly supports the activities in § 15.10(a)(1) through (a)(3).

The OCC is providing in new § 15.10(a)(10) of the final rule that permitted payment stablecoin issuers

[47] The OCC has stated that, as an activity incidental to the business of banking, national banks may pay network fees on blockchain networks to facilitate otherwise permissible activities and hold, as principal, amounts of crypto-assets on balance sheet necessary to pay network fees for which the bank anticipates a reasonably foreseeable need. *OCC Interpretive Letter 1186.*

[48] Any non-payment stablecoin digital asset received would not be a permissible reserve asset.

[49] The OCC would expect that most permitted payment stablecoin issuers should be able to divest of any such excess non-payment stablecoin digital assets within one business day. In recent conditional approvals for national banks, applicants have converted digital assets received to fiat currency within one business day or held such assets for another permissible purpose. *See* Conditional Approval 1366, Conditional Approval 1362, Conditional Approval 1353.

may manage foreign exchange risk. However, permitted payment stablecoin issuers that manage foreign exchange risk are subject to the risk management requirements in § 15.13(a)(10) of the final rule. Those requirements impose conditions on foreign exchange risk management such as requiring that a permitted payment stablecoin issuer must not use foreign exchange risk management as a means to speculate, including with respect to the appreciation or depreciation of any national currency.

Other Suggested Activities or Requests for Interpretations

Separate from the specific activities enumerated in proposed § 15.10(a)(1) through (7), several commenters suggested additional activities that should be considered permissible activities. For example, one commenter recommended that the enumerated list include treasury management functions, including short-term investment-optimization among permissible reserve assets subject to diversification and concentration limits. Another commenter recommended that the OCC recognize treasury management activities for reserve asset management within a non-exhaustive list of examples of activities that qualify under proposed § 15.10(a)(8) as directly supporting core activities.

At this time, the agency is not adding treasury management to the list of permissible activities enumerated in § 15.10(a). The OCC notes that aspects of treasury management, including short-term investment optimization, are already included under § 15.10(a)(3), which allows permitted payment stablecoin issuers to manage reserves related to the issuance or redemption of payment stablecoins. Additionally, with respect to treasury management functions that are not encompassed by that provision, such functions may qualify under final § 15.10(a)(11) as activities that directly support the activities in § 15.10(a)(1) through (a)(4).

The OCC declines to specifically add ''treasury management'' to the enumerated list of activities because that term is not clearly defined and could be read broadly, and therefore, the OCC would need to evaluate the specific treasury management functions a permitted payment stablecoin issuer proposes to engage in to determine whether they are permissible under the final rule. For example, treasury management activities conducted to ensure liquidity to meet payroll demands and to pay business expenses incurred as a result of conducting payment stablecoin activities directly support core permitted payment stablecoin issuer activities and are permissible. The OCC invites permitted payment stablecoin issuers to seek clarification from the OCC as to whether a particular activity is permissible.

One commenter recommended that the OCC add to the enumerated permissible activities list customer onboarding, identity verification and compliance functions reasonably necessary to support permitted payment stablecoin issuer operations. Another commenter recommended that the OCC recognize onboarding processes as an item in a non-exhaustive list of examples of activities that qualify under § 15.10 as directly supporting core activities.

The agency declines to include customer onboarding, identity verification, and compliance functions in the list of permissible activities enumerated in § 15.10(a) at this time. As explained below, § 15.12 provides that a permitted payment stablecoin issuer's obligation to redeem does not begin until, among other things, the customer has been successfully onboarded. Accordingly, because the OCC addresses onboarding in § 15.12 of the final rule, the OCC does not believe it needs to specifically include onboarding as an enumerated activity. Permitted payment stablecoin issuers may onboard customers, so long as the onboarding complies with the Act, 12 CFR part 15, and other applicable laws, including AML/CFT laws and regulations and economic sanctions obligations.

Several commenters recommended the OCC add various specific interpretations to the final rule. One commenter recommended that the OCC clarify whether non-hosted or external wallets are permissible for a permitted payment stablecoin issuer and to set clear boundaries to keep payment control within regulated entities. Another commenter recommended that the OCC prohibit regulated entities from hosting or transacting with self-custody wallets due to money laundering concerns.[50]

The Act does not specifically prohibit self-custody or non-hosted wallets. The OCC declines to explicitly prohibit the use of such wallets by permitted payment stablecoin issuers but notes that the use of such wallets must comply with the requirements of the Act, 12 CFR part 15, and other applicable laws. For example, permitted payment stablecoin issuers that use such wallets still must comply with section 4(a)(6) of the Act (12 U.S.C. 5903(a)(6)), which provides that a permitted payment stablecoin issuer may issue payment stablecoins only if the issuer has the technological capability to comply, and will comply, with the terms of any lawful order. Additionally, permitted payment stablecoin issuers must comply with all applicable AML/CFT laws and regulations and economic sanctions obligations.

One commenter recommended that the OCC require permitted payment stablecoin issuers to use a formally defined wallet credential state machine describing the status of the wallet, explicit permitted and prohibited transactions, cryptographic wallet binding, compliance-gated activation preconditions, automatic cascading orders to force wallet compliance and freezing, and regulated credential expiration.

The OCC declines to mandate particular technical requirements for permitted payment stablecoin issuers that are not required under the Act, consistent with 12 CFR part 15's generally technology-neutral approach. The OCC will not mandate the specific technical requirements in light of the continued evolution of the stablecoin industry and the likelihood that any technical requirements may become obsolete and potentially stifle innovation. However, the final rule in § 15.13 contains risk management requirements, including those related to information technology and security, which could implicate some of the commenter's suggestions. The OCC will continue to assess permitted payment stablecoin issuers' compliance with such risk management requirements against the potential risks posed to issuers throughout the supervisory process.

Prohibited Activities

Deceptive Names and Marketing

In proposed § 15.10(c)(1), the OCC would have imported the prohibition on the use of deceptive names from section 4(a)(9) of the GENIUS Act (12 U.S.C. 5903(a)(9)). This provision would have prohibited a permitted payment stablecoin issuer from using any combination of terms relating to the United States Government, including ''United States,'' ''United States Government,'' and ''USG,'' in the name of the payment stablecoin. This prohibition would not have applied to abbreviations relating directly to the currency to which the payment stablecoin is pegged, such as ''USD.''

[50] As discussed below, self-custody generally refers to holding one's own assets directly even though technically no custody service is provided in such an arrangement.

Consistent with section 4(a)(9) of the GENIUS Act (12 U.S.C. 5903(a)(9)), proposed § 15.10(c)(2) would have prohibited permitted payment stablecoin issuers from marketing a payment stablecoin in such a way that a reasonable person would perceive the payment stablecoin to be legal tender as described in 31 U.S.C. 5103, issued by the United States, or guaranteed or approved by the Government of the United States. The OCC recognized that permitted payment stablecoin issuers may want to market themselves as permitted payment stablecoin issuers under the GENIUS Act. There is no prohibition against issuers marketing themselves in this manner, so long as they do not run afoul of the prohibitions outlined in the Act and § 15.10(c)(1) and (2), including the prohibition against marketing a payment stablecoin in such a way that a reasonable person would perceive the payment stablecoin to be guaranteed, issued, or approved by the United States. The OCC noted that misrepresentations by a permitted payment stablecoin issuer cannot be cured by a general disclaimer and that representations and disclosures should be clear to payment stablecoin holders and customers.

The OCC did not receive any comments specifically requesting changes to § 15.10(c)(1) and (c)(2) and is therefore adopting § 15.10(c)(1) and (c)(2) as proposed. Refer to the discussion of § 15.12 for additional disclosure requirements that are related to the prohibition in § 15.10(c)(2).

Eligibility for Deposit Insurance

Consistent with section 4(e) of the GENIUS Act (12 U.S.C. 5903(e)), proposed § 15.10(c)(3) would have provided that a permitted payment stablecoin issuer may not directly or through implication represent that payment stablecoins are backed by the full faith and credit of the United States, guaranteed by the United States Government, or subject to Federal deposit insurance or Federal share insurance.

Two commenters recommended that the OCC explicitly codify that payment stablecoin holders are not eligible for deposit insurance, including on a pass-through basis. One commenter noted that this clarification would prevent issuers from implying ''insured-like'' status that could foster false confidence and increase run risk.

As discussed in more detail below, the OCC is adding disclosure requirements in § 15.12(e) that provide that a permitted payment stablecoin issuer must include in its redemption disclosures that payment stablecoins are not deposits, not backed by the full faith and credit of the United States, not subject to deposit insurance by the FDIC, and not subject to share insurance by the NCUA. The OCC declines to opine on pass-through insurance in this rulemaking as that topic is subject to the FDIC's notice of proposed rulemaking that has not yet been finalized.[51] The OCC is adopting § 15.10(c)(3) as proposed.[52]

Yield

Consistent with section 4(a)(11) of the GENIUS Act (12 U.S.C. 5903(a)(11)), proposed § 15.10(c)(4) provided that a permitted payment stablecoin issuer must not pay the holder of any payment stablecoin any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of such payment stablecoin. The OCC noted that issuers might attempt to make prohibited payments of interest or yield to payment stablecoin holders through arrangements with third parties. The OCC also noted that there would likely be a large and changing variety of arrangements with third parties in which issuers could achieve the payment of yield to payment stablecoin holders. The OCC stated that it would not be possible to identify in detail all, or even most, of the potential arrangements between permitted payment stablecoin issuers and third parties that the OCC may prohibit under section 4(a)(11) of the GENIUS Act and the OCC's rulemaking authority under section 4(h) of the GENIUS Act,[53] particularly as such arrangements may evolve over time. On the other hand, the OCC noted that a rule with only a general prohibition on the payment of yield could create uncertainty within the payment stablecoin market.

The OCC therefore proposed to include a presumption in paragraph (c)(4)(i) that certain types of arrangements with certain types of persons would be prohibited payments of yield or interest by the issuer. Specifically, the OCC would have presumed that a permitted payment stablecoin issuer is paying the holder of any payment stablecoin any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of such payment stablecoin if: (A) the permitted payment stablecoin issuer has a contract, agreement, or other arrangement with an affiliate or a related third party to pay interest or yield to the affiliate or related third party; and (B) the affiliate[54] or related third party (or affiliate of such related third party) has a contract, agreement, or other arrangement to pay interest or yield (whether in cash, tokens, or other consideration) to a holder of any payment stablecoin issued by the permitted payment stablecoin issuer solely in connection with the holding, use, or retention of such payment stablecoin. To the extent that the person, or an affiliate of the person with whom the permitted payment stablecoin issuer had a contract, agreement, or other arrangement to pay interest or yield was a related third party of the permitted payment stablecoin issuer because the permitted payment stablecoin issuer issues payment stablecoins on the related third party's behalf or under the related third party's branding, the arrangement between the related third party and the holder of the payment stablecoin would have considered the holder of the payment stablecoin to be the holder of the payment stablecoin issued by the permitted payment stablecoin issuer on the related third party's behalf or under the related third party's branding. With respect to a white-label relationship, the rebuttable presumption would have been triggered only to the extent the payment stablecoin holder was a holder of the related third party's white-labeled stablecoin (as opposed to other payment stablecoins issued by the permitted payment stablecoin issuer).

Related third parties were defined to include any person offering to pay interest or yield to payment stablecoin holders as a service (*i.e.,* on behalf of the permitted payment stablecoin issuer) and any person that the issuer issues payment stablecoins on behalf of or under the branding of (*i.e.,* persons that have entered into a white-label relationship with the issuer).

Under the proposed rule, a permitted payment stablecoin issuer would have been able to rebut the presumption by submitting written materials that, in the OCC's judgment, demonstrate that the

[51] GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institution, 91 FR 18534 (Apr. 10, 2026).

[52] In addition, the OCC notes that, if a permitted payment stablecoin issuer markets any products other than payment stablecoins, it shall also be subject to the prohibition in section 4(e)(3) of the GENIUS Act (12 U.S.C. 5903(e)(3)), which provides that it shall be unlawful to market a product in the United States as a payment stablecoin unless it is issued pursuant to the GENIUS Act.

[53] *See* 12 U.S.C. 5903(h) (providing that the OCC and other payment stablecoin regulators may issue regulations to ''carry out the requirements of [section 4], including to establish conditions, and to prevent evasion thereof'').

[54] A person would not have been included within this second prong solely because the person is an affiliate of an affiliate of the issuer.

contract, agreement, or other arrangement is not prohibited under § 15.10(c)(4) and is not an attempt to evade the prohibition.

The OCC received many comments concerning the prohibition against a permitted payment stablecoin issuer or foreign payment stablecoin issuer paying the holder of any payment stablecoin any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of such payment stablecoin (''the yield prohibition''). As discussed in greater detail below, after reviewing the comments, the OCC has determined to eliminate the rebuttable presumption from the final rule.

Commenters held diverging views on the proposal's implementation of the yield prohibition and associated rebuttable presumption. Many advocated eliminating the rebuttable presumption. A large number advocated interpreting the yield prohibition narrowly and not applying the prohibition or associated rebuttable presumption to certain indirect payments, to payments based on transactions, or to payments to intermediaries (rather than payment stablecoin holders) made not solely in connection with the holding, use, or retention of a payment stablecoin. On the other hand, a substantial number of commenters advocated for a broadly applicable yield prohibition that captured indirect payments, transaction-based payments, and payments where holding, using, or retaining a payment stablecoin was a necessary condition of receiving payment. Many of these commenters advocated expanding the scope of the rebuttable presumption. Additional detail on these comments and other comments received is below.

Several commenters stated that the statutory yield prohibition is not yet settled, noting ongoing legislation that could interact with the GENIUS Act's prohibition. Unless and until such legislation passes, the OCC must implement the GENIUS Act's yield prohibition, as enacted. If the GENIUS Act is amended, or legislation that clearly relates to the GENIUS Act's yield prohibition passes, the OCC will evaluate whether any amendments to the final rule are necessary and appropriate to give effect to such legislation.

A few commenters advocated eliminating the yield prohibition from the final rule altogether. One commenter advocated allowing issuers to peg payment stablecoins to a fixed amount of purchasing power, arguing that doing so would not amount to paying any form of interest or yield (whether in cash, tokens, or other consideration).

Eliminating the prohibition would be inconsistent with the requirements of section 4(a)(11) of the GENIUS Act (12 U.S.C. 5903(a)(11)), and the definition of payment stablecoin in section 2(22) of the Act (12 U.S.C. 5901(22)), which hinges on an issuer being obligated to convert, redeem, or repurchase a payment stablecoin for a fixed amount of monetary value (rather than a fixed amount of purchasing power). The OCC therefore is not revising the rule in response to these comments.

One commenter requested that the OCC confirm that the yield prohibition does not capture interest paid on deposits, including tokenized deposits. The OCC confirms that the GENIUS Act's yield prohibition does not apply to deposits. The definition of payment stablecoin in section 2(22) of the Act (12 U.S.C. 5901(22)) explicitly excludes deposits, regardless of whether the deposit is recorded using distributed ledger technology. Because the yield prohibition in section 4(a)(11) of the Act (12 U.S.C. 5903(a)(11)) applies to holders of payment stablecoins solely in connection with the holding, use, or retention of payment stablecoins, the prohibition does not extend to paying interest on deposits, including deposits in tokenized form.

Several commenters stated that the proposed yield prohibition and associated rebuttable presumption were too broad and exceeded the OCC's authority. One stated that the rebuttable presumption could raise issues under the major questions doctrine. One commenter stated that disclosures revealing the economic substance of arrangements between issuers, affiliates, and third parties would be more effective than the rebuttable presumption. Commenters also stated that the rebuttable presumption would invert the burden of proof, chill competition, and discriminate against savers in favor of borrowers. Commenters stated that the statutory prohibition applies to permitted payment stablecoin issuers and foreign payment stablecoin issuers and does not speak to payments from other entities or payments made by other persons in the secondary market. Several of these commenters noted that, unlike the prohibition against pledging, rehypothecating, or reusing reserve assets in section 4(a)(2) of the GENIUS Act (12 U.S.C. 5903(a)(2)), the prohibition in section 4(a)(11) of the Act (12 U.S.C. 5903(a)(11)) does not contain language explicitly prohibiting a permitted payment stablecoin issuer or foreign payment stablecoin issuer from *indirectly* engaging in activities that are proscribed for the issuer.

Many of these commenters stated that the yield prohibition was intensely debated by Congress and that the final text of the Act reflects a considered decision not to prohibit indirect payments. Some of these commenters argued that any indirect payments should be permitted while others took a narrower view, arguing that payments made at the direction of, or on behalf of, the issuer should be prohibited while payments made by third parties that are not controlled by, or made pursuant to an agreement with, the issuer should be permitted. Some commenters stated that independently funded rewards paid by affiliates or third parties should be permitted under certain circumstances.[55] Many of the commenters that advocated for a narrow prohibition stated that the OCC could not use its anti-evasion authority under section 4(h)(1) of the Act (12 U.S.C. 5903(h)(1)) to adopt a rebuttable presumption. These commenters argued that, since the statutory prohibition does not apply to indirect payments, some or all indirect payments should not be considered evasion. These commenters stated that the anti-evasion provisions of the Act should capture bad-faith arrangements, including arrangements where an issuer actually directs a third party to make a payment on the issuer's behalf.[56] Some commenters also stated that the anti-evasion language appears in section 4(h)(1) of the Act (12 U.S.C. 5903(h)(1)) and should be read to prevent the evasion of section 4's (12 U.S.C. 5903) requirements rather than to expand section 4(a)(11)'s (12 U.S.C. 5903(a)(11)) yield prohibition.

With respect to this last point, section 4(h)(1) of the Act (12 U.S.C. 5903(h)(1)) states that ''the primary Federal

[55] Different commenters suggested a variety of potential conditions. Several commenters proposed including conditions that would require (1) the issuer not to control the decision to pay interest or yield, (2) the non-issuer to independently fund payments to payment stablecoin holders, and (3) the non-issuer to not have an agreement with the issuer to pay interest or yield. Some commenters additionally focused on whether the economics of any arrangement suggest that the issuer passes interest or yield earned on reserve assets though a non-issuer to payment stablecoin holders. Some commenters believed that the non-issuer should not be an affiliate whereas others believed that payments to and from affiliates should not be prohibited by the yield prohibition. One commenter stated that the yield prohibition is the functional descendant of Regulation Q, which permitted independent distributors to offer incentives to attract or retain customers.

[56] One commenter stated that the rebuttable presumption should be used as a focused tool to address bad-faith evasions but that the OCC should explicitly carve certain other arrangements from the scope of the presumption.

payment stablecoin regulators shall . . . issue such regulations relating to permitted payment stablecoin issuers as may be necessary to establish a payment stablecoin regulatory framework necessary to administer and carry out the requirements of this section [(section 4)], including to establish conditions, and to prevent evasion thereof.'' The yield prohibition in section 4(a)(11) (12 U.S.C. 5903(a)(11)) is a requirement of section 4 and thus subject to the anti-evasion provisions of the GENIUS Act by the Act's own terms. Although the OCC is eliminating the rebuttable presumption from the final rule, the OCC emphasizes that the OCC retains its authority to address evasion of section 4 of the Act (12 U.S.C. 5903), including the yield prohibition.

Many commenters advocated a broad prohibition that would capture indirect payments as well as direct payments. Some of these commenters advocated capturing additional types of transactions through the rebuttable presumption, including transactions involving indirect payments through persons with whom the issuer has a financial interest, contractual relationship, or business arrangement. Others advocated for a flat prohibition on direct and indirect payments, rather than employing a rebuttable presumption. These commenters stated that preventative measures, such as a broad prohibition, would be preferable to reactive measures, like the rebuttable presumption. Several of these commenters characterized indirect payments as a loophole that must be closed, either by regulatory action or Congressional action.

Many of the commenters favoring a broad prohibition stated that permitting indirect payments could lead to deposit flight that would disproportionately affect community banks and reduce lending. One commenter stated that clear and enforceable treatment of the yield prohibition could reduce uncertainty around asset-liability dynamics and help preserve the intended protection provided by 1 to 1 reserve backing and the timely redemption obligation.

The statutory yield prohibition can capture certain payments that commenters characterized as indirect payments. A person may pay another person through someone else and thus be within the scope of the yield prohibition. For example, interest or yield payments to payment stablecoin holders made by an agent of the permitted payment stablecoin issuer or foreign payment stablecoin issuer on the issuer's behalf solely in connection with the holding, use, or retention of a payment stablecoin would be within the scope of the prohibition. In these instances, the agent acts for the issuer. The issuer pays interest or yield to a payment stablecoin holder. Even if the issuer were not considered to be the payor, it would clearly evade the statutory prohibition on yield for an issuer to merely pay another entity to make an interest or yield payment that the issuer could not make directly. As discussed below, other scenarios may present closer questions. For example, indirect payments that are not made solely in connection with the holding, use, or retention of a payment stablecoin are outside the scope of the prohibition by the Act's own terms. Depending on the facts and circumstances, a payment to payment stablecoin holders through an intermediary might be made solely in connection with the holding, use, or retention of a payment stablecoin or might be made, at least in part, for other reasons.

One commenter stated that issuers should be permitted to pass yield from reserves through to institutional payment stablecoin holders but not to retail payment stablecoin holders. The GENIUS Act does not distinguish between retail and institutional payment stablecoin holders. Accordingly, the final rule applies the yield prohibition equally to payments by an issuer to institutional and retail payment stablecoin holders. One commenter requested that the OCC provide a cure period for violations of the yield prohibition. The final rule does not include such a cure period but, as discussed below, does not include the rebuttable presumption. The OCC will exercise its enforcement discretion appropriately, based on the given facts and circumstances.

Commenters requested clarification about the various prongs of the rebuttable presumption, the process for rebutting the presumption (including standardized rebuttal language), and the particular wording of the presumption (*e.g.,* the definition of ''related third party''). Commenters also requested a list of illustrative examples of arrangements that would not violate the prohibition. Because the final rule does not include the rebuttable presumption, the OCC is not further clarifying the terms of the presumption or the process for rebuttal. In response to requests for examples of activities that would violate or be permitted under the yield prohibition or that would be captured by the presumption or constitute evasion, the OCC is not including a list of prohibited or permitted arrangements. Rather, the OCC will apply the language of the statute to the facts and circumstances of any particular arrangement so that any such arrangement can be evaluated based on all relevant facts and circumstances.

Commenters addressed a number of potential safe harbors or exclusions for certain activities. Some commenters stated that there should be a de minimis exemption for small payments or incidental payments that do not scale with the amount of payment stablecoins held by the payee. These commenters stated that such small payments pose no credible risk of evasion of the GENIUS Act and that subjecting these small payments to the rebuttable presumption would impose disproportionate burdens. Other commenters disagreed, stating that such a safe harbor or exclusion would be unnecessary and unsupported by the statute. The OCC is not adopting a safe harbor for de minimis payments because the statutory yield prohibition, by its terms, does not contemplate an exemption for such payments.

Some commenters argued that the GENIUS Act was not intended to prohibit existing rewards programs and that rewards programs that were in existence as of the enactment of the GENIUS Act should be excluded from the statutory yield prohibition. Many commenters argued for an explicit safe harbor for these indirect payments or for excluding them from the scope of the rebuttable presumption. The OCC declines to presume that rewards programs that predated the GENIUS Act comply with the GENIUS Act. The fact that Congress may have had notice of these rewards programs does not necessarily imply that Congress endorsed them as permissible. Indeed, Congress could have provided a safe harbor for such programs but did not do so. Accordingly, rewards programs that predate the enactment of the GENIUS Act will be evaluated the same as rewards programs that are established after the enactment or effective date of the GENIUS Act.

Many commenters argued that the prohibition and associated rebuttable presumption should not capture payments that the issuer does not control and that are not funded directly by the issuer. Commenters requested specific exclusions or safe harbors for fiduciary income earned by trust entities, certain DeFi arrangements, payments in connection with the promotion or distribution of payment stablecoins, rewards from staking, and interest from lending. Several commenters advocated for specific exclusions or safe harbors for various types of white-label arrangements. Commenters also requested exclusions

or safe harbors for certain arrangements subject to Federal securities laws, customer loyalty or rewards programs structured in good faith, and payments for services (including compliance, technological, operational, marketing, or distributional services).

In response to comments, the OCC has not provided a general safe harbor. With respect to DeFi arrangements, the facts of each DeFi arrangement may bear significantly on whether such an arrangement is entered into to evade the yield prohibition. The OCC is also not adopting an explicit safe harbor for payments made for services. Absent additional facts to the contrary, payments for bona fide services generally would not be prohibited because such payments generally are not interest or yield paid solely in connection with the holding, use, or retention of a payment stablecoin.

The OCC also has not adopted a safe harbor for arrangements subject to the Federal securities laws. Although payment stablecoins are excluded from the definition of security, an arrangement where an issuer pays interest or yield solely in connection with the holding, use, or retention of payment stablecoins could be a security, depending on the facts and circumstances. The statute does not provide a clear safe harbor from the yield prohibition for securities. Accordingly, the OCC declines to adopt a safe harbor for arrangements that are securities.

The OCC also is not adopting a safe harbor for white-label partners. Payments to and from white-label partners may be more likely to be made on behalf of a permitted payment stablecoin issuer or foreign payment stablecoin issuer than other types of payments. Accordingly, the OCC believes that a broadly applicable safe harbor would be inappropriate.

Many commenters stated that the key terms used in the prohibition and associated rebuttable presumption must be defined or clarified. Some argued that failing to include definitions for these terms violated the OCC's notice-and-comment obligations under the Administrative Procedure Act. Others stated that the terms were sufficiently clear and did not require further definition. As discussed below, the OCC has decided not to include additional regulation text defining certain terms used in the yield prohibition, with the exception of the term ''payment stablecoin holder,'' discussed elsewhere. The OCC believes that it is not necessary to do so and that including definitions for certain terms could encourage the adoption of arrangements that are intended to evade the prohibition.

A large number of commenters stated that ''interest'' and ''yield'' should be defined. Several commenters favoring a broad yield prohibition stated that these terms should be interpreted broadly. Commenters noted that the prohibition in section 4(a)(11) of the GENIUS Act (12 U.S.C. 5903(a)(11)) applies to the payment of ''any form of interest or yield, whether in cash, tokens, or other consideration'' and stated that this language suggests that the terms ''interest'' and ''yield'' should be interpreted broadly. Several commenters stated that ''interest'' should include all scenarios where an issuer provides economic value to a partner or affiliate who then delivers yield-like benefits to payment stablecoin holders. Many commenters stated that the definitions of ''interest'' and ''yield'' should hinge on economic substance and not on how the term is labeled (*e.g.,* as rewards). Many commenters stated that interest should be defined to mean economic benefits that scale with the amount of payment stablecoins that a stablecoin holder holds or the duration that the stablecoin holder holds the payment stablecoins. Some commenters stated that the terms interest and yield should include payments by an issuer based on the passive holding of a payment stablecoin. Some commenters noted that interest has long been interpreted to refer to a wide range of types of compensation and that the Supreme Court has rejected the notion that interest must be time- or rate-based. Commenters stated that, since the GENIUS Act prohibits yield, in addition to interest, the OCC should interpret the prohibition broadly.

Several commenters stated that a broad definition of interest and yield, as part of a broad prohibition, would help maintain the distinction between payment instruments, like payment stablecoins, and investment instruments. In contrast, many commenters that favored a narrow yield prohibition advocated excluding certain types of payments from the definitions of interest and yield. One stated that the OCC should not prohibit arrangements that are the economic equivalent of paying any form of interest or yield (whether in cash, tokens, or other consideration), arguing that, if the OCC commits to regulating economic equivalents, rather than statutory categories, there is no principled stopping point. The OCC disagrees. Interest and yield are broad terms under their generally understood meanings. Interest does not stop being interest merely because it is given a different name. An approach that looked to labels rather than economic substance would render the yield prohibition meaningless.

Other commenters requested carveouts (either from the definition of interest or yield, the scope of the prohibition, or through the implementation of a safe harbor) for certain commercial transactions, fee waivers, promotional or loyalty payments, merchant discounts and rebates (subject to certain requirements), white-label profit sharing, and transaction-based payments. Many of these comments focused on the idea that transaction-based rewards should not be considered interest or yield. Commenters disagreed as to whether customer rewards should be included within the definition and thus be subject to the yield prohibition. Commenters advocating a broad yield prohibition stated that rewards programs could act as an evasion of the prohibition, rewards would blur the line between payment and investment instruments, and excluding rewards from the scope of the prohibition could negatively impact competition between highly regulated banks and less regulated entities. Others stated that certain types of rewards (*e.g.,* transaction-based rewards or independently funded third-party rewards, discussed above) should not be considered interest or yield.

After considering the comments received, the OCC has decided not to define the terms ''interest'' or ''yield.'' The OCC will apply principles of statutory interpretation to the terms in light of the facts and circumstances before it. The OCC therefore declines to adopt a definition of these terms.

Several commenters stated that ''pay'' should be interpreted broadly and that the OCC should look to the economic substance of a transaction to determine whether a payment has occurred. In contrast, in the context of the rebuttable presumption, one commenter said that the OCC should not interpret the term to capture any transfer of economic value, arguing that doing so would expand the OCC's authority and would cover general commercial relationships. The OCC is not defining the term in the final rule. The OCC will apply principles of statutory interpretation to the term ''pay'' in light of the facts and circumstances before it. Commenters had diverging views on whether and how to define ''holding,'' ''use,'' and ''retention'' for the purpose of implementing the statutory yield prohibition. Many commenters advocated for excluding transactional activities from the scope of ''use''

altogether, stating that the prohibition should apply to passive holding of payment stablecoins rather than active use of payment stablecoins. These commenters argued that the use of the terms ''interest'' and ''yield'' suggest that the prohibition applies to passive holdings and that the word ''use'' is intended merely to ensure that an issuer cannot evade the prohibition by mislabeling payments for passive holdings. Several commenters requested that the OCC clarify that ''use'' refers to bona fide customer-facing activity rather than ministerial issuance, redemption, settlement, or internal asset-transfer functions. Other commenters stated that the terms should be read broadly, such that payments that are conditioned on holding, using, or retaining a stablecoin are captured.

The statutory yield prohibition applies to payments of interest or yield solely in connection with the holding, use, or retention of a payment stablecoin. Thus, the statute contemplates that certain payments made in connection with the use of a payment stablecoin may be prohibited. Specifically, a payment would need to (a) be interest or yield and (b) be made solely in connection with the holding, use, or retention of a payment stablecoin to be within the scope of the prohibition. Transaction-based payments that did not amount to interest or yield or that were not made solely in connection with the holding, use, or retention of a payment stablecoin would not be prohibited. Whether a transaction-based payment meets those criteria is a fact-specific inquiry, and the OCC will address the facts presented by particular arrangements as they arise.

Commenters had diverging views as to the meaning of the term ''solely'' in the yield prohibition. Several commenters stated that the term must remain in the prohibition, should be included in the rebuttable presumption, if retained, and should be given the effect of excluding payments made even in part based on factors other than the holding, use, or retention of payment stablecoins. Commenters stated, for example, that payments made for commercial purposes, including marketing payments, payments for liquidity provision, and the posting of collateral should be outside the scope of the prohibition because they are not made solely in connection with the holding, use, or retention of a payment stablecoin. Commenters also stated that payments made in connection with serving as a node, validating transactions, and staking are not made solely in connection with the holding, use, or retention of payment stablecoins. Some commenters stated that giving effect to the term ''solely'' would help distinguish payment instruments and investment products.

A large number of other commenters stated that the term ''solely'' should be read narrowly to prevent evasion of the yield prohibition. These commenters emphasized that the term should be read in the broader context of the prohibition, which prohibits a permitted payment stablecoin issuer or foreign payment stablecoin issuer from paying any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of such payment stablecoin. Some commenters stated that the yield prohibition should capture the transfer of economic benefit to a payment stablecoin holder unless the person providing the benefit can demonstrate by clear and convincing evidence that the purpose of the payment is for a substantial business purpose other than incentivizing, or otherwise making payments in connection with, the holding, use, or retention of a payment stablecoin. Similarly, another commenter stated that an economic benefit provided to a holder or user of a payment stablecoin should be presumed to be provided solely in connection with the holding, use, or retention of that stablecoin if holding, using, or retaining the stablecoin is a necessary condition to receiving the benefit or is the reason the benefit is provided.

The word ''solely'' in the statutory yield prohibition is best read under its plain terms to exclude payments made in connection with reasons other than holding, using, or retaining a payment stablecoin. Thus, payments made for other purposes are not barred by the GENIUS Act. To the extent that there are concerns that a permitted payment stablecoin issuer pays interest or yield only nominally for another purpose in an attempt to evade the statute, the OCC will look to the substance of the transaction to determine whether the permitted payment stablecoin issuer was truly paying solely in connection with the holding, use, or retention of a payment stablecoin or whether the transaction was structured for the purpose of evading the yield prohibition.

Commenters had widely varying views on the economic impact of the yield prohibition. A large number of commenters stated that the economic impact of a prohibition that allowed for indirect payments would be significant. These commenters stated that the promise of interest- or yield-bearing payment stablecoins could divert funds away from bank deposits (particularly at community banks) and diminish lending and the provision of financial services and investments within communities. Several of these commenters noted that community banks are important sources of loans, particularly for smaller communities and for farmers. These commenters stated that the scale of deposit flight would depend on the strength of the yield prohibition and the growth of the payment stablecoin industry. Specific estimates varied, but many of these commenters cited to reports that deposits could be reduced by trillions of dollars and that lending could decrease by hundreds of billions of dollars, with certain States being more impacted than others.[57] Several commenters favoring a narrow prohibition criticized these estimates, including by arguing that some of these estimates represented advocacy, rather than research, stating that some of the estimates were inconsistent with past statements of the organizations that produced the estimates, and by questioning the applicability of the assumptions or models used to create these estimates. Many of these commenters stated that deposits would likely be recycled back into community banks in the form of reserve assets. A number of commenters favoring a broad prohibition disagreed, stating that reserve assets would likely be concentrated in large financial institutions (as opposed to in community banks) and that deposits held as reserves would be wholesale deposits, rather than retail deposits. These commenters stated that wholesale deposits serving as reserve assets would be less able to support credit creation than retail deposits.

A large number of commenters favoring a narrow prohibition stated that the economic impact of permitting third parties to pay interest or yield on payment stablecoins was likely to be insignificant. Many of these expressed skepticism that widespread adoption of

[57] Estimates cited included Jessie Jiaxu Wang, ''Banks in the Age of Stablecoins: Some Possible Implications for Deposits, Credit, and Financial Intermediation,'' FEDS Notes (December 17, 2025), *available at https://doi.org/10.17016/2380-7172.3970;* Treasury Borrowing Advisory Comm., ''Charge for the Treasury Borrowing Advisory Committee: Second Quarter 2025,'' *available at https://home.treasury.gov/system/files/221/TBACCharge2Q22025.pdf;* Andrew Nigrinis, ''The Lending Impact of Stablecoin-Induced Deposit Outflows, Legal Econ. LLC, (October 10, 2025), *available at https://ssrn.com/abstract=5586850;* Toni M. Whited et al., ''Will Central Bank Digital Currency Disintermediate Banks?'' (May 19, 2022), *available at https://ssrn.com/abstract=4112644;* as well as estimates prepared by the Independent Community Bankers of America, American Bankers Association, and the Bank Policy Institute.

payment stablecoins, including yield-bearing payment stablecoins, would lead to widespread deposit flight. One commenter noted that the introduction of money market mutual funds did not lead to widespread deposit flight. This commenter argued that competition between bank deposits and payment stablecoins may affect bank profits but would not necessarily affect credit creation. Many commenters cited to a report by the White House Council of Economic Advisers (CEA Report) concluding that a yield prohibition would have relatively little impact on deposits or lending but would cause consumers to forgo the benefits of competitive returns on stablecoin holdings.[58] Commenters favoring a broad prohibition criticized the conclusions of the CEA Report and reports reaching similar findings, stating that these reports were based on flawed assumptions and addressed the wrong question (*i.e.,* the policy concern is not whether prohibiting yield on payment stablecoins would constrain bank lending; rather, it is whether allowing yield on payment stablecoins would encourage deposit flight, especially from community banks, raise funding costs, and reduce local credit availability). Commenters favoring a narrow prohibition also stated that a broad prohibition could stifle competition and innovation, distort markets, exacerbate concentration risks, and make stablecoin activity more likely to migrate outside of the United States financial system. Some commenters also stated that the threat to community bank deposits does not arise from payment stablecoins but rather from concentration among global systemically important banks.

A small number of commenters stated that the economic impact of a broad or narrow prohibition is uncertain. Of these, some advocated delaying finalization of certain aspects of the rule until after completing a study on the impact of stablecoin adoption on deposits. One commenter stated that the OCC has indicated that it will monitor for deposit flight but has not stated how it would address deposit flight. One commenter stated that the OCC should clearly articulate any concerns about the similarities between payment stablecoins and deposits, so that commenters could provide meaningful input.

Congress created a new regulatory framework through the GENIUS Act, and the payment stablecoin and banking industries may change as a result of this new framework. The scale and character of these changes may depend substantially on market developments, customer demand, and implementation of the GENIUS Act. For example, any estimate as to the impact of payment stablecoins on bank deposits or on the broader economy will depend, in part, on how much the payment stablecoin industry grows, where issuers hold their deposits, and whether those deposits are stable. While the OCC can estimate the economic impacts of the rule, there is necessarily a degree of uncertainty with respect to key variables. The OCC intends to monitor the impacts of the final rule as well as developments in the market. The OCC may consider revising the final rule, to the extent necessary and to the extent consistent with the text and purpose of the GENIUS Act.

After carefully considering the comments concerning the yield prohibition, the OCC has eliminated the rebuttable presumption from the final rule. Because payment stablecoins are a nascent market, the OCC does not believe that it is appropriate to impose a rebuttable presumption with respect to the yield prohibition at this time. The rebuttable presumption could have been both overinclusive and underinclusive, capturing permissible arrangements that would have been subject to the rebuttable presumption and allowing the inference that impermissible arrangements not triggering the presumption are consistent with the yield prohibition. Requiring such arrangements to go through the rebuttal process risks imposing burden without a commensurate benefit.

Instead of finalizing the proposed rebuttable presumption or otherwise providing guidance on the types of potentially prohibited transactions, the OCC will initially monitor arrangements with permitted payment stablecoin issuers and foreign payment stablecoin issuers as part of its review of issuers' applications and ongoing supervision of such entities. Where it identifies transactions that violate or evade the yield prohibition, the OCC will take action and provide the public with additional guidance regarding such actions and interpretations, as appropriate. As the payment stablecoin market develops, the OCC anticipates that it will gain sufficient experience with identifying prohibited transactions to allow it to propose a rulemaking clarifying the yield prohibition that does not have the disadvantages noted above.

Prohibition on Rehypothecation

Proposed § 15.10(c)(5) included the language from section 4(a)(2) of the Act (12 U.S.C. 5903(a)(2)) that prohibits permitted payment stablecoin issuers from pledging, rehypothecating, or reusing any reserve assets required under 12 U.S.C. 5903(a)(1), except for the purposes listed in section 4(a)(2) of the GENIUS Act (12 U.S.C. 5903(a)(2)). Consistent with the statute, a permitted payment stablecoin issuer cannot pledge, rehypothecate, or reuse any reserve assets, either directly or indirectly (*e.g.,* through a third-party custodian of the reserve assets), except for the purpose of: (i) satisfying margin obligations in connection with investments in permitted reserves under proposed § 15.11(b)(4) or (5); (ii) satisfying obligations associated with the use, receipt, or provision of standard custodial services; or (iii) creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins, such that reserves in the form of Treasury bills with a maturity of 93 days or less may be sold as purchased securities in repurchase agreements,[59] provided that either: (A) the repurchase agreements are cleared by a clearing agency registered with the Securities and Exchange Commission; or (B) the permitted payment stablecoin issuer receives prior approval from the OCC.

The OCC stated in the proposal that by including the phrase ''directly or indirectly'' in the prohibition, it is clear that Congress intended that a custodian that holds the reserves on behalf of a permitted payment stablecoin issuer also may not pledge, rehypothecate, or reuse any of the reserve assets, other than with respect to the limited exceptions discussed in proposed § 15.10(c)(5). To the extent that a custodian holding the payment stablecoin reserves were allowed to bypass this prohibition, it would undermine the relatively safe nature of the reserve assets and the confidence that payment stablecoin holders have that the payment stablecoin will hold its peg.

[58] White House Council of Economic Advisers, ''Effect of Stablecoin Yield Prohibition on Lending'' (April 2026), *available at https://www.whitehouse.gov/wp-content/uploads/2026/04/Effects-of-Stablecoin-Yield-Prohibition-on-Bank-Lending.pdf.*

[59] Section 4(a)(2)(C) of the Act (12 U.S.C. 5903(a)(2)(C)) states that reserves in the form of Treasury bills may be sold as purchased securities for repurchase agreements with a maturity of 93 days or less if certain conditions are met. The OCC proposes to clarify, consistent with section 4(a)(1)(iv) of the Act (12 U.S.C. 5903(a)(1)(iv)), that the Treasury bills sold under the repurchase agreement must have a maturity of 93 days or less. Consistent with this clarification and the OCC's proposed approval of repurchase agreements under section 4(a)(2)(C) of the Act, discussed below, the maturity of the repurchase agreement would be overnight.

Several commenters asked the agency for clarification on the scope of activities that are permissible given this prohibition. For example, one commenter asked for confirmation that the prohibition applied only to permitted payment stablecoin issuers and not to depository institutions at which stablecoin issuers hold deposits.

The OCC confirms that an insured depository institution that receives deposits from a permitted payment stablecoin issuer may deploy or invest those deposits without running afoul of the prohibition on rehypothecation in § 15.10(c)(5) of the final rule.[60]

One commenter asked the OCC to clarify the application of § 15.10(c)(5) to cleared repurchase and reverse repurchase transactions involving United States Treasury securities. The commenter requested confirmation that the rule would not prohibit a permitted payment stablecoin issuer from granting a Treasury clearing agency a limited lien on purchased securities received in connection with a permitted cleared tri-party reverse repurchase transaction, where the lien is granted in lieu of margin and is subject to conditions limiting the Treasury clearing agency's ability to use the securities other than to effect settlement. The commenter also requested that the OCC clarify that § 15.10(c)(5) would not prohibit a permitted payment stablecoin issuer from granting its clearing member a lien on the issuer's rights under repurchase transactions cleared through the clearing member and related cash and securities, provided the clearing member holds the related cash and securities in a custodial capacity and the obligations secured by the lien are limited to the issuer's obligations under the related repurchase transactions.

With respect to liens in Treasury repurchase agreements, the exception at § 15.10(c)(5)(i) of the final rule allows a permitted payment stablecoin issuer to satisfy margin obligations in connection with reserve assets held either as money received under certain repurchase agreements or as certain reverse repurchase agreements. The agency understands from commenters that, for tri-party reverse repurchase agreements, the party receiving securities may need to satisfy market-standard requirements of the central counterparty. In certain circumstances, these requirements require a party to post margin or, as an alternative, grant a limited lien in favor of the central counterparty. If such a lien is specifically for satisfying margin obligations and effecting settlement, such a lien would likely be consistent with the exception in § 15.10(c)(5)(i).

Given that permitted payment stablecoin issuers may hold repurchase or reverse repurchase agreements as permissible reserve assets, and given that standard custodial services by a clearing member include the clearing member holding a limited lien, the prohibition in § 15.10(c)(5) of the rule does not prohibit a permitted payment stablecoin issuer from granting a lien to a clearing member provided that the clearing member holds related cash and securities in a custodial capacity and that the secured obligations are limited to the customer's obligations under the related repurchase agreements.

One commenter suggested that the OCC expressly permit a permitted payment stablecoin issuer to grant a covered custodian a first-priority lien, security interest, and set-off rights against reserve assets. The commenter also stated that these rights are a routine feature of custody arrangements and help protect custodians when they advance funds or securities to facilitate settlement in custody accounts.

In the proposed rule, the OCC originally interpreted the exception to the prohibition on rehypothecation related to satisfying obligations associated with the use, receipt, or provision of standard custodial services to be limited to the purposes specified in section 10(c)(2)(B) of the Act (12 U.S.C. 5909(c)(2)(B)). However, after considering the comments, the OCC believes that such an interpretation of the exception was unnecessarily narrow, and commenters have raised the important point that custody agreements routinely include giving a custodian a security interest in the reserve assets. Accordingly, the OCC reads the exception in section 4(a)(2)(B) of the Act (12 U.S.C. 5903(a)(2)(B)) to allow a permitted payment stablecoin issuer to grant a covered custodian a first-priority lien, security interest, and set-off rights against reserve assets to the extent it is for the purpose of satisfying obligations associated with the use, receipt, or provision of standard custodial services as provided in section 4(a)(2)(B) of the GENIUS Act (12 U.S.C. 5903(a)(2)(B)) and § 15.10(c)(5)(ii). Such a permissible lien, security interest, or set-off rights would be limited to the bona fide provision of custodial services and limited in scope.

The third and final exception to § 15.10(c)(5) of the rule, § 15.10(c)(5)(iii), is for the creation of liquidity to meet reasonable expectations of requests to redeem payment stablecoins. In the preamble to the proposed rule, the agency explained that, due to the fungibility of money, the OCC would not scrutinize the exact uses to which repurchase borrowing proceeds are put. The OCC explained that rehypothecation would not be permissible if repurchase borrowings are obtained solely for some purpose other than obtaining liquidity to meet redemption requests or compliance with the rule.

Some commenters expressed support for the proposal as written, while one commenter stated that if the OCC does not scrutinize how borrowed funds are used, issuers could effectively monetize reserve assets through the repo market. Accordingly, the commenter stated that the OCC should impose clear restrictions on the purposes for which repurchase proceeds may be used and require issuers to maintain contemporaneous records demonstrating that any repurchase borrowing was used exclusively to meet the issuer's redemption obligations.

The OCC continues to hold the view it expressed in the proposal. To the extent the OCC scrutinized the exact uses to which repurchase borrowing proceeds were used, it could impair an issuer's ability to effectively use repurchase agreements to manage liquidity. Additionally, § 15.10(c)(5)(iii) of the final rule still includes the condition that repurchase agreements should be for the purpose of creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins. Accordingly, if the OCC were to become aware that a permitted payment stablecoin issuer was entering into repurchase agreements for another purpose, the issuer may be in violation of that provision. While all permitted payment stablecoin issuers are subject to the recordkeeping requirements in § 15.14(f), the OCC does not believe an individualized recordkeeping regime for repurchase agreements would be beneficial because it could create additional burden that would make repurchase agreements a less effective liquidity tool, especially in times of stress.

Pre-Approval of Certain Repurchase Agreements

With respect to the exception in proposed § 15.10(c)(5)(iii), the OCC proposed to deem any repurchase agreement approved under this section and section 4(a)(2)(C) of the Act (12 U.S.C. 5903(a)(2)(C)), provided that the Treasury bills sold as purchased securities have a maturity of 93 days or less, consistent with the requirement

[60] An insured depository institution that receives customer property in a fiduciary capacity may not, however, use or deploy that customer property except as permitted under applicable law including the GENIUS Act and the fiduciary agreement.

that Treasury bills held as reserve assets must have a maturity of 93 days or less, and the liquidity obtained through repurchase borrowings is not being obtained solely for purposes other than meeting redemption requests or compliance with the requirements of this proposed rule. The proposal explained that section 4(a)(1)(A) of the Act (12 U.S.C. 5903(a)(1)(A)) makes clear that permitted payment stablecoin issuers may maintain identifiable reserves comprising money received under certain repurchase agreements. The proposal further stated that it would frustrate section 4(a)(1)(A)(iv)'s clear permission to maintain such reserve assets if permitted payment stablecoin issuers could only engage in repurchase borrowing transactions upon the completion of cumbersome procedures and one-off supervisory approvals.

Several commenters responded to the OCC's request for input on whether it should pre-approve repurchase agreements by rule as proposed in § 15.10(c)(5)(iii)(B). Several commenters supported the OCC's proposal to pre-approve repurchase agreements by rule and characterized case-by-case approvals as risking unnecessary operational delays. Some commenters offered specific suggestions for which types of repurchase agreements the OCC should approve by rule. One commenter recommended that the OCC pre-approve repurchase agreements collateralized by short-term Treasury securities and overnight reverse repurchase agreements with the Federal Reserve given the minimal liquidity and credit risk. The commenter recommended that repurchase agreements collateralized by other permitted reserve assets be given broad but bounded approval.

Another commenter recommended that the OCC pre-approve by rule both overnight and term-repurchase agreements collateralized solely by eligible reserve assets and cleared through a regulated central counterparty. That commenter recommended that pre-approval be accompanied by established guardrails. Another commenter responded that the rule should expressly permit pre-approved, rule-based use of ''properly structured [repurchase agreements]'' as beyond prohibited ''reuse'' provided the repurchase agreement is highly liquid and the permitted payment stablecoin issuer can meet redemptions. The commenter described a list of parameters and noted that the OCC's treatment of such contracts should match established supervisory practice. Another commenter recommended that the OCC adopt a broad and flexible pre-approval framework rather than limiting approvals to specific transaction types given continued evolution in the repurchase agreement market.

The OCC is adopting § 15.10(c)(5)(iii)(B) as proposed, with certain clarifying edits described in more detail below. The OCC declines to extend the pre-approval of repurchase agreements beyond those where the Treasury bills that are sold as purchased securities have a maturity of 93 days or less. The OCC is pre-approving repurchase agreements wherein the Treasury bills that are sold as purchased securities have a maturity of 93 days or less because the money received under such agreements is a permissible reserve asset under section 4(a)(1)(A)(iv) (12 U.S.C. 5903(a)(1)(A)(iv)). In addition, section 4(a)(2)(C) of the Act (12 U.S.C. 5903(a)(2)(C)), which prohibits rehypothecation, provides an exception only for this same type of repurchase agreement. Congress's inclusion of only this limited exception suggests that Congress did not intend to automatically permit other types of repurchase agreements under the Act or permit other types of repurchase agreements without OCC approval.[61]

By contrast, one commenter expressed concern about repurchase agreements and recommended that the OCC exercise its safety and soundness authority to exclude repurchase agreements from the list of permissible reserve assets in the final rule because permitted payment stablecoin issuers that rely on repurchase agreements for cash are dependent on short-term funding that may not be available in stress. That commenter recommended in the alternative that, should it choose to permit repurchase agreements to count towards reserve assets, the OCC limit recognition to centrally cleared repurchase agreements.

The OCC declines to categorically exclude repurchase agreements as a permissible reserve asset. Congress clearly intended for money received under repurchase agreements to be a permissible reserve asset type. The OCC also notes that repurchase agreements have the benefit of enhancing liquidity, allowing permitted payment stablecoin issuers to receive the money necessary to facilitate redemptions. The OCC also declines to require central clearing as a precondition to entering into repurchase agreements as central clearing is not required by the Act.[62] However, the OCC notes that central clearing can have the benefit of reducing issuers' counterparty credit risk.

Some commenters recommended that the OCC clarify terms used in the proposal. One commenter recommended that the OCC clarify that the standard for ''reasonable expectations of requests to redeem'' be assessed by reference to each issuer's historical redemption patterns, customer base, and risk profile rather than a fixed quantitative threshold.

The OCC declines to set a specific quantitative threshold related to the language in section 4(a)(2)(C) of the Act (12 U.S.C. 5903(a)(2)(C)), which provides that repurchase agreements falling under the exception to the prohibition on rehypothecation must be for ''creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins.'' The OCC believes that each individual permitted payment stablecoin issuer is generally in the best position to assess when such repurchase agreements are necessary to create liquidity to meet redemption demands, subject to OCC supervision for compliance with this requirement. A fixed quantitative limit could impair liquidity management, especially in times of stress. The OCC agrees that the permitted payment stablecoin issuer's historical redemption patterns, customer base, and risk profile may be helpful to issuers when considering whether to enter into a repurchase agreement.

Another commenter recommended that the OCC clarify that the standard includes the prudent and routine use of repurchase agreements as a core liquidity management tool, consistent with the commenter's position that the OCC pre-approve a defined category of low-risk repurchase agreements by rule.

The OCC agrees that repurchase agreements can be a core liquidity tool for permitted payment stablecoin issuers, provided they are used in a manner consistent with the Act and part 15. As discussed above, the OCC is not expanding the category of repurchase agreements pre-approved by rule beyond the category described in § 15.10(c)(5)(iii)(B).

Some commenters made technical recommendations relating to a rule-based pre-approval process. One commenter recommended that the OCC

[61] *See Esteras* v. *United States,* 606 U.S. 185, 195 (2025) (citation modified) (''This conclusion follows directly from the application of a well-established canon of statutory interpretation: ''*expressio unius est exclusio alterius*''—in plain English, expressing one item of an associated group or series excludes another left unmentioned.'').

[62] The prohibition on rehypothecation creates an exception for repurchase agreements cleared by a clearing agency registered with the SEC *or* those that are approved by the permitted payment stablecoin issuer's Federal payment stablecoin regulator. *See* section 4(a)(2)(C)(i) of the Act (12 U.S.C. 5903(a)(2)(C)(i)).

clarify that creating liquidity to meet reasonable redemption expectations means maintaining a portfolio of reserve assets that can be monetized within T+1 under normal market conditions and T+0 under stressed conditions, calibrated to the issuer's historical redemption velocity and stress-tested against a variety of scenarios.

The OCC declines to limit the phrase ''creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins'' to require maintaining a portfolio of reserve assets that can be monetized within T+1 under normal market conditions and T+0 under stressed conditions. However, final § 15.12(c)(1) provides that timely redemption may not exceed two business days following the date of the requested redemption. Accordingly, a permitted payment stablecoin issuer's use of repurchase agreements must not interfere with its ability to satisfy the timely redemption requirement.

Another commenter recommended that the OCC confirm that the pre-approval framework does not prohibit repurchase agreements where the repurchase agreement counterparty is also the custodian of the relevant reserve assets. That commenter described the relevant supervisory question as whether the issuer retains full legal ownership of and unimpeded access to reserve assets at all times.

The OCC clarifies that the pre-approval framework does not prohibit repurchase agreements where the repurchase agreement counterparty is also the custodian of the relevant reserve assets.[63]

After careful consideration of the comments, the OCC is adopting § 15.10(c)(5) as proposed, with certain clarifying edits. Specifically, the OCC is making clarifying edits to § 15.10(c)(5) to remove paragraph (c)(5)(iii)(C) and add new § 15.10(d), which provides that pursuant to section 4(a)(2)(C)(ii) of the GENIUS Act (12 U.S.C. 5903(a)(2)(C)(ii)) and § 15.10(c)(5)(iii)(B), the OCC approves, for all permitted payment stablecoin issuers, repurchase agreements wherein the Treasury bills that are sold have a maturity of 93 days or less. The OCC is also modifying paragraph (c)(5)(iii)(B) to provide that a permitted payment stablecoin issuer may receive approval of a repurchase agreement by order or pursuant to final § 15.10(d).

Prohibition on Evasion

Section 4(h)(1) of the GENIUS Act (12 U.S.C. 5903(h)(1)) provides that the OCC may issue regulations to ''carry out the requirements of this section . . . and to prevent evasion thereof.'' Consistent with this authority, proposed § 15.10(c)(6) provided that a permitted payment stablecoin issuer must not engage in any activity that the OCC determines is an evasion of the requirements of section 4 of the GENIUS Act (12 U.S.C. 5903) or part 15.

One commenter asked the agency to confirm that a stablecoin issuer that relies on published agency guidance in good faith (absent material misstatements or omissions) would not violate the evasion prohibition in § 15.10(c)(6).

The OCC declines to provide an explicit safe harbor because whether particular conduct constitutes evasion necessarily depends on the particular facts and circumstances, and because the OCC will gain experience in administering this standard after the final rule becomes effective. Nevertheless, when determining whether a permitted payment stablecoin issuer acted to evade section 4 of the GENIUS Act (12 U.S.C. 5903) or part 15, the OCC would consider, among other relevant factors, the issuer's good faith reliance on OCC publications and whether the issuer made misstatements or omitted material facts.

Approval Process for Certain Activities

Several commenters supported an application or approval process for determining the scope of permissible permitted payment stablecoin issuer activities. By providing clarity in advance, commenters believed an activity approval process could promote innovation, consistency, and appropriate agency-established boundaries. One commenter suggested the OCC, following notice and comment, either list permissible activities for stablecoin issuers or publish a framework for assessing permissibility. The commenter stated that this public notice and comment process could inform what activities the agency enumerates as permissible. Another commenter stated that the OCC should adopt an evolving framework to enumerate additional permissible activities and commit to issuing guidance on permissibility determinations.

The OCC declines at this time to commit to publishing a list or framework for activity permissibility. As the OCC stated in the notice of proposed rulemaking, if a permitted payment stablecoin issuer is unclear about whether a particular activity is permissible, the OCC encourages issuers to ask the OCC directly. Because payment stablecoin activities will continue to evolve, a list would quickly become outdated, especially if the OCC was required to publish the list after soliciting notice-and-comment. The OCC anticipates that these implementing regulations will be updated, as necessary, in the years following the effective date of the Act as the business practices of issuers continue to evolve and develop.

The OCC may also issue interpretive letters or guidance to help clarify which activities are permissible for permitted payment stablecoin issuers. One commenter asked that the agency commit to responding to requests for guidance within a defined timeframe. Because the agency does not yet know the frequency of requests, the complexity of requests, or how requests will change with the industry's evolution, the OCC is unable to determine or commit to how long a response may take. As a result, the agency is not defining a timeframe for responses at this time, but the OCC may revisit this matter in the future as it reviews requests and the industry develops.

Incidental and Digital Asset Service Provider Activities

The rule of construction in section 4(a)(7)(B) of the GENIUS Act (12 U.S.C. 5903(a)(7)(B)) provides:

Nothing in subparagraph (A) shall limit a permitted payment stablecoin issuer from engaging in payment stablecoin activities or digital asset service provider activities specified by this Act, and activities incidental thereto, that are authorized by the primary Federal payment stablecoin regulator or the State payment stablecoin regulator, as applicable, consistent with all other Federal and State laws[.]

In the proposal, the OCC explained that this rule of construction clarifies the scope of section 4(a)(7)(A) (12 U.S.C. 5903(a)(7)(A)) rather than providing an independent grant of authority.

With respect to the relationship between sections 4(a)(7)(A) and (B) of the Act (12 U.S.C. 5903(a)(7)(A) and (B)), one commenter asked the agency to clarify that section 4(a)(7)(B) (12 U.S.C. 5903(a)(7)(B)) is not an independent grant of authority that allows permitted payment stablecoin issuers to engage in payment stablecoin activities, digital asset service provider activities, and activities incidental thereto. Instead, the commenter argued section 4(a)(7)(B) (12 U.S.C. 5903(a)(7)(B)) only clarifies section 4(a)(7)(A) of the Act (12 U.S.C. 5903(a)(7)(A)). The same commenter further suggested that, in clarifying

[63] However, any limitations in § 15.11 of the final rule would still apply.

section 4(a)(7)(A), the incidental activities in section 4(a)(7)(B) are broader than strictly necessary activities and merit an evolving framework similar to how the OCC uses interpretive letters to describe the bounds of permissible bank activities.

Similarly, another commenter suggested the agency not draw a sharp distinction between activities that directly support enumerated activities under section 4(a)(7)(A) and incidental activities under section 4(a)(7)(B). In contrast, a different commenter encouraged a distinction between 4(a)(7)(A) directly supporting activities and 4(a)(7)(B) incidental activities, and another comment suggested the OCC only publish a list of permissible activities consistent with sections 4(a)(7)(A) and (B) after public notice and comment.

As explained above, section 4(a)(7)(B) clarifies the scope of section 4(a)(7)(A). With respect to the commenters that requested clarification on the distinction between 4(a)(7)(A) directly supporting activities and 4(a)(7)(B) incidental activities, based on the phrase ''consistent with all other Federal and State laws,'' incidental activities in 4(a)(7)(B) must be separately authorized under Federal or State law. By contrast, section 4(a)(7)(A) provides permitted payment stablecoin issuers with an independent grant of authority to engage in activities that directly support certain payment stablecoin activities under 4(a)(7)(A). As stated above, permitted payment stablecoin issuers may ask the OCC to clarify whether an activity is permissible under the appropriate grant of authority. The OCC plans to evaluate whether specific activities are permissible for a permitted payment stablecoin issuer under section 4(a)(7) on a case-by-case basis. The agency will decide how it will publish such determinations as it gains better insight into the volume, breadth, and analytical complexity of these evaluations, which will become more apparent once permitted payment stablecoin issuers begin operating and interacting with the financial system.

Two commenters recommended that the OCC clarify in § 15.10 that the effect of the GENIUS Act's rule of construction in section 4(a)(7)(B) is that permitted payment stablecoin issuers may conduct digital asset service provider activities, and activities incidental thereto, when authorized by the OCC and otherwise conducted consistently with applicable law. One commenter stated that this clarification is necessary to prevent inconsistent interpretations among regulated entities, State supervisors, and market participants. Another commenter agreed with the need for clarity on this question and cautioned against a burdensome and slow prior-approval process for digital asset service provider activities, advocating instead for a notice-and-nonobjection framework and OCC publication of a non-exhaustive list of permissible or impermissible digital asset service provider activities.

One commenter suggested that Federally supervised digital asset service providers should not need further approval to carry out activities contemplated by the Act. In contrast, another commenter recommended that the agency define the scope of permissible digital asset service provider activities and establish a transparent approval process for digital asset service provider activities. One commenter suggested the agency clarify any differences in the limitations on permitted payment stablecoin issuer permissible activities and the limitations on digital asset service provider permissible activities. Another commenter suggested that the OCC only authorize permitted payment stablecoin issuers to engage in digital asset service provider activities if they specifically enumerate such activities in their application, and that the OCC should require in its application a detailed description of the specific digital asset service provider activities an issuer proposes to conduct. The commenter recommended that applicants be required to publicly release that list and other portions of their applications as required for national banks and national trust charters, and that any subsequent expansions of digital asset service provider activities should require a new approval.

With respect to comments regarding the scope of digital asset service provider activities, as stated above, such activities must be independently authorized by a Federal or State law, to the extent that any such State law is not inconsistent with Federal law.[64] The OCC is adding new § 15.10(b)(2) which codifies activities that are consistent with the rule of construction in section 4(a)(7)(B) of the GENIUS Act (12 U.S.C. 5903(a)(7)(B)). The OCC is adding this new provision to ensure that permitted payment stablecoin issuers may, under part 15, engage in digital asset service provider activities specified by the Act, and activities incidental thereto, that are independently authorized by applicable Federal or State law, to the extent that any such State law is not inconsistent with Federal law.[65] Permitted payment stablecoin issuers may contact the OCC with questions as they arise, and the OCC will provide additional clarification if appropriate.

After considering the comments, the OCC is not instituting a new or separate approval process for permitted payment stablecoin issuers to engage in digital asset service provider activities. Permitted payment stablecoin issuers may ask the OCC directly whether specific activities are permissible. The OCC will address activities as the market evolves and as the OCC is presented with specific facts and information to evaluate such requests. The OCC does not have adequate information to address such requests at this time nor does it want to constrain itself or permitted payment stablecoin issuers to a rigid process. As discussed below, the OCC will consider the appropriate means to publish any interpretations issued related to digital asset service provider activities. The OCC may reconsider in the future whether to institute a new or separate approval process once it gains experience supervising permitted payment stablecoin issuers and evaluating activity requests.

National Trust Banks

Proposed § 15.10(b) incorporated language from section 16(a) of the GENIUS Act (12 U.S.C. 5915(a)) and emphasized that nothing in proposed § 15.10(a) may be construed to limit the authority of a depository institution, national bank, or trust company to engage in activities permissible pursuant to applicable State and Federal law. Consistent with this provision, for example, an uninsured national bank that is a permitted payment stablecoin issuer could engage in fiduciary, trust, and other related activities consistent with applicable law. Similarly, a national bank or Federal savings association could provide crypto-asset custody services, either in a fiduciary or non-fiduciary capacity, or use distributed ledger technology and related stablecoins to carry out payment activities.[66] Uninsured national banks

[64] The OCC notes that some digital asset service provider activities will be permissible for permitted payment stablecoin issuers under section 4(a)(7) of the Act (12 U.S.C. 5903(a)(7)). For example, exchanging digital assets for monetary value is a permissible activity because permitted payment stablecoin issuers must perform this activity when redeeming payment stablecoins for monetary value.

[65] Section 4(a)(7)(B) of the Act (12 U.S.C. 5903(a)(7)(B)) also requires that ''the claims of payment stablecoin holders rank senior to any potential claims of non-stablecoin creditors with respect to reserve assets, consistent with section 11.''

[66] *See OCC Interpretive Letter 1174* (January 4, 2021). The activities described in Interpretive Letter

that limit their operations to those of a trust company or activities related thereto (national trust banks) [67] are one type of institution within the scope of institutions covered by section 16(a) of the Act (12 U.S.C. 5915(a)) and § 15.10(b). Proposed § 15.10(b) would also apply to other types of institutions.[68]

Several commenters raised concerns that the proposed regulation would change the activities of or modify current regulations for national trust banks. Two commenters questioned how the proposed rule would align with the list of permitted national trust bank activities in existing regulations, as revised effective April 1, 2026.[69] Other commenters asked the agency to confirm that the regulation implementing the GENIUS Act does not allow national trust banks to engage in activities beyond what the GENIUS Act and their charters authorize. Yet another commenter argued that the OCC's application of section 16(a) of the Act (12 U.S.C. 5915(a)) to national trust banks should be narrower and more in line with the proposed interpretations of the FDIC and the Department of the Treasury.[70]

These commenters were concerned that, among other effects, the proposed rule would allow State trust companies that become permitted payment stablecoin issuers to engage in a large range of activities authorized under State law. A couple of commenters argued that the proposed approach would give rise to a variety of outcomes arguably inconsistent with the GENIUS Act, such as national trust banks paying yield on stablecoins. One of these commenters argued that, because section 4(a)(7)(A) (12 U.S.C. 5903(a)(7)(A)) of the Act, which lists permissible payment stablecoin issuer activities, uses more specific language than section 16(a) (12 U.S.C. 5915(a)), section 4(a)(7)(A) should be read to override section 16(a).

Twelve U.S.C. 27(a) provides that a national bank is not illegally constituted solely because its operations are or have been required by the Comptroller of the Currency to be limited to those of a trust company and activities related thereto. Any national bank chartered under 12 U.S.C. 27(a) is permitted to engage in activities under 12 U.S.C. 92a or 12 U.S.C. 24(Seventh). A national trust bank chartered in reliance on the provision of 12 U.S.C. 27(a) quoted above must limit its operations to those of a trust company and activities related thereto pursuant to 12 U.S.C. 27(a). For a national trust bank that becomes a permitted payment stablecoin issuer, the national trust bank would have to meet the requirements of both a national bank and a permitted payment stablecoin issuer. In other words, a national trust bank's permitted activities would stem from its authority as a national bank under 12 U.S.C. 92a or 12 U.S.C. 24(Seventh), including activities it is permitted to engage in as a permitted payment stablecoin issuer, as long as all such activities constitute trust company operations or activities related thereto. If the OCC were to read subsection 16(a) of the Act narrowly as applying only to institutions that are not permitted payment stablecoin issuers, the rule would contradict how section 16(a) operates alongside section 4(a)(7). Rather, the rule does not change the scope of permissible activities for national trust banks.

Notwithstanding the potentially broader set of permissible activities of national trust banks that are also permitted payment stablecoin issuers, such national trust banks must still comply with the other restrictions of the GENIUS Act and 12 CFR part 15. For example, permitted payment stablecoin issuers are prohibited by section 4(a)(11) of the GENIUS Act (12 U.S.C. 5903(a)(11)) from paying yield solely in connection with the holding, use, or retention of payment stablecoins. A different or broader set of permissible activities does not permit national trust banks to evade requirements that are applicable to permitted payment stablecoin issuers. More generally, permitted payment stablecoin issuers must adhere to applicable laws and regulations, including, but not limited to, those regarding activities restrictions.

Like the Department of the Treasury, the OCC also interprets section 16(a) such that it is not an independent grant of authority.[71] This final rule addresses the activities that are authorized for permitted payment stablecoin issuers regulated by the OCC. The OCC will continue to coordinate with the Department of the Treasury, as appropriate, consistent with section 13 of the Act.

One comment suggested the OCC lacks the legal authority to allow national trust banks to issue payment stablecoins because statutes limit national trust banks to fiduciary capacities and ancillary activities. The commenter asked the agency to rescind approvals and orders consistent with that interpretation.

The OCC declines to rescind any approvals because its actions were properly taken under 12 U.S.C. 27(a) and 92a. Recent OCC decisions, regulatory revisions, and other policies have described the agency's understanding of 12 U.S.C. 27(a) and 92a, and nothing in 12 CFR part 15 changes that understanding.[72] The Act permits permitted payment stablecoin issuers to issue payment stablecoins subject to limitations in the Act, and the inclusion of uninsured national banks within the definition of Federal qualified payment stablecoin issuer in section 2(11) of the GENIUS Act (12 U.S.C. 5901(11)) is a clear indication that Congress intended for national trust banks to be able to apply to be permitted payment stablecoin issuers and to issue payment stablecoins.

The OCC is finalizing § 15.10(b) as proposed, renumbered as § 15.10(b)(1).

Proposed Single Brand Restriction

In the proposed rule, the OCC sought comment on whether it should restrict each permitted payment stablecoin issuer to issuing only one brand of payment stablecoin and streamline the process for approving applications to become a permitted payment stablecoin issuer if an affiliate has already been approved as a permitted payment stablecoin issuer.

Some commenters supported a restriction that would limit a permitted payment stablecoin issuer to issuance of a single brand of payment stablecoin. Commenters provided various reasons in support of the restriction, including

1174 remain permissible to the extent that they have not been superseded by the GENIUS Act. Indeed, the Act confirms that national banks and Federal savings associations may use payment stablecoins and use certain distributed ledgers to facilitate payments. *See* 12 U.S.C. 5915. An insured national bank or Federal savings association seeking to issue a payment stablecoin would, however, need to do so through a subsidiary, as required under the GENIUS Act. *See* 12 U.S.C. 5901(23) (defining permitted payment stablecoin issuer).

[67] Twelve U.S.C. 5901(11) provides that Federal qualified payment stablecoin issuer includes an uninsured national bank that is chartered by the Comptroller pursuant to title LXII of the Revised Statutes and that is approved by the Comptroller pursuant to section 5 of the GENIUS Act to issue payment stablecoins.

[68] For example, a national bank or Federal savings association could provide crypto-asset custody services, either in a fiduciary or non-fiduciary capacity, or use distributed ledger technology and related stablecoins to carry out payment activities. *See OCC Interpretive Letter 1170* (on custody services, citing relevant statutes and regulations); *OCC Interpretive Letter 1174* (January 4, 2021) (describing activities that remain permissible to the extent the letter has not been superseded by the GENIUS Act); 12 U.S.C. 5915(a) (confirming that national banks and Federal savings associations may use payment stablecoins and use certain distributed ledgers to facilitate payments).

[69] 91 FR 9982 (revising 12 CFR 5.20).

[70] 91 FR 18534 (April 10, 2026); 91 FR 16844 (April 3, 2026).

[71] 91 FR 16844, 16857 (April 3, 2026).

[72] *See, e.g.,* Conditional Approval 1380, Conditional Approval 1364, Conditional Approval 1353, Conditional Approval 1358.

that it would help ensure legal separateness, adequacy of reserves, and maintain safety and soundness. One such commenter stated that white-label arrangements create risks such as obscuring actual reserves and implicit step-in risk for the sponsoring institution to prop up a distressed permitted payment stablecoin issuer. Another commenter mentioned potential de-pegging, run, and contagion risks and noted that appropriate reserve allocation does not necessarily protect against issues related to cyberattacks and money laundering.

Many commenters opposed a requirement that would only allow a permitted payment stablecoin issuer to issue one brand of payment stablecoin. Commenters stated several reasons for their opposition to this requirement, including that requiring a separate affiliate to issue a different brand of payment stablecoin would create additional regulatory burden, make white-labeling economically unviable for all but the largest partners, and add complexity without a corresponding benefit. One commenter stated that costs of a one-brand requirement were not considered in the proposal's economic analysis. One commenter stated that the OCC did not identify evidence that a single brand restriction would meaningfully reduce risk and that it was not adequately explained, arguing that it would be arbitrary and capricious for the OCC to include such a limitation. Another commenter stated that a single brand restriction would impose asymmetric costs on nonbank fintech issuers, for which the white-label distribution model is a primary mechanism of market adoption. One commenter stated that the final rule should clarify that the supervisory focus is on the issuer and not on the branding.

Some commenters also suggested that a single brand requirement was not consistent with the GENIUS Act. Commenters stated that the term ''outstanding issuance value'' and Congress's use of the term ''consolidated total outstanding issuance'' suggests that Congress did not intend to require product or brand-level segregation of reserves. A few commenters stated that language in section 5(g) of the Act (12 U.S.C. 5904(g)) provides that regulators ''may not impose requirements in addition to the requirements specified under section 4,'' which militates against a single brand restriction. One commenter suggested that any insolvency concerns are better addressed by the statutory provisions of the GENIUS Act. A different commenter stated that even if a one-brand model were adopted, it would not be clear that a bankruptcy court would respect the separate structure because the court could potentially consolidate the assets and liabilities of affiliates.

A few commenters acknowledged that a run on payment stablecoin reserves could be a concern in the event a single permitted payment stablecoin issuer issues multiple brands of payment stablecoins but suggested that a single brand restriction was a disproportionate response. Another commenter stated that in times of stress, payment stablecoin holders are unlikely to parse legal entity structures or differentiate between affiliated issuing entities.

The OCC is not implementing a one-brand-per-issuer requirement. While the OCC agrees with certain commenters that such a requirement could help mitigate contagion risks and protect the rights of payment stablecoin holders in the event of insolvency, the OCC acknowledges that such a restriction would also impose burden and is not clearly mandated by the statute. By not implementing such a requirement, the OCC is being responsive to the vast majority of commenters that stated that such a requirement would increase regulatory burden on permitted payment stablecoin issuers. The OCC understands commenters' concerns that a categorical one-brand restriction could lead to duplication of supervisory obligations and could potentially make it harder for smaller issuers to issue multiple brands of payment stablecoins.

While the OCC is not mandating a one-brand-per-issuer requirement, a one-brand-per-issuer structure may better protect the rights of payment stablecoin holders than other models as discussed in more detail below. Accordingly, the final rule accommodates business models that employ multiple SPV issuers and reduces the burden of using such business models, including by making certain technical changes. For example, while each SPV would require a license to operate as a permitted payment stablecoin issuer, the OCC anticipates that the burden of seeking out a new license for an SPV will be limited compared to seeking or receiving the initial license, as the applicant could leverage information contained in previous applications for other related SPVs. Similarly, an SPV could rely on a risk management framework developed by its parent entity, provided that the framework met the requirements of § 15.13.

Many commenters suggested potential alternatives to a single brand restriction, including that the OCC could require potential disclosures to ensure transparency with respect to branding. Specifically, one commenter stated that such disclosures should capture same-branded issuance across affiliates. One commenter suggested a monthly reserve composition disclosure, examined by a registered public accounting firm and that includes: (i) the par value of outstanding stablecoins of that brand; (ii) the composition of reserve assets attributable to that brand; (iii) the legal segregation mechanism applicable to that brand's reserves; (iv) operational controls preventing cross-brand encumbrance; and (v) the holder claim priority rules applicable in the event of issuer distress. Another commenter recommended that the OCC require disclosure of the legal identity of the permitted payment stablecoin issuer that is behind each brand. One commenter mentioned that the disclosures should be prominent to payment stablecoin purchasers and holders and explain which permitted payment stablecoin issuer is responsible for reserves, redemption, and regulatory compliance. The same commenter also stated that issuers should disclose whether the co-branded payment stablecoins are backed by the same reserve pool, the aggregate outstanding issuance across all brands backed by that pool, and the co-branding arrangements in the issuer's regulatory filings and reserve disclosures.

The OCC is not adopting additional disclosure requirements with respect to branding. The final rule, in § 15.11(e), requires that permitted payment stablecoin issuers publish a monthly composition report that lists the different classes or brands of payment stablecoins separately if reserve assets are segregated by brand. Accordingly, the monthly report may already contain the number of total outstanding payment stablecoins by class or brand and the composition of reserves for each brand. The OCC does not believe that additional disclosures related to the legal segregation mechanism, operational controls, or holder priority are necessary to include in rule text. The OCC is not mandating a legal segregation mechanism in the final rule, and a description of operational controls could potentially be complex, which could confuse payment stablecoin holders. Additionally, because of the current inherent uncertainty associated with resolving white-label issuers, there is a risk that disclosures about a payment stablecoin holder's claim in the event of insolvency could misstate the legal protection that will ultimately be afforded to payment stablecoin holders.

Moreover, the redemption disclosures in § 15.12(e) of the final rule will require

permitted payment stablecoin issuers to provide the name of the permitted payment stablecoin issuer that issues the payment stablecoin, which will allow payment stablecoin holders to identify the issuer behind each branded payment stablecoin, including in a white-label arrangement or other third-party relationships where the branded coin may not otherwise identify the issuer. Such disclosures are required to be conspicuous and readily noticeable under § 15.12(e)(1) of the final rule, so no further requirements related to prominence are necessary. Permitted payment stablecoin issuers may include additional disclosures regarding their co-branding arrangements and whether co-branded payment stablecoins are backed by the same reserve pool so long as the disclosures comply with the Act, 12 CFR part 15, and other applicable laws.

One commenter stated that issuers should be required to disclose to the OCC the internal policies and controls by which they achieve legal segregation. Another commenter stated that the OCC should prohibit any co-branding arrangement in which the distribution partner represents to holders that it, rather than the licensed issuer, is responsible for reserves, redemption, or regulatory compliance. Another commenter stated that reserve reporting should align with the statute and be at the entity level with the option for issuers to report reserves at the individual brand level. One commenter stated that there should be express disclosures to each brand's holders concerning the multi-brand structure and the cross-brand non-encumbrance regime. One commenter stated that the OCC should permit and encourage layered, technology-enabled disclosure approaches.

The OCC may review a permitted payment stablecoin issuer's internal policies and controls during the supervisory process, and therefore, no specific disclosure requirement to the OCC is expressly required. Additionally, if a distribution partner that is not a permitted payment stablecoin issuer falsely represents that it is the issuer, the permitted payment stablecoin issuer responsible for redemption may not be in conformance with the disclosure requirements in § 15.12(e). For the entities under its jurisdiction, the OCC would ensure that any such misrepresentations, at a minimum, are handled through the supervisory process. Additionally, the monthly composition report in § 15.11(e) of the final rule limits the need for additional disclosures around a multi-brand structure because issuers will already be required to publish the reserves on a per-brand basis if the brands are secured by distinct pools of reserve assets. The monthly composition report specifically requires that, to the extent that different classes or brands of payment stablecoins are secured by distinct pools of reserve assets, permitted payment stablecoin issuers should publish a composition table for each class or brand of payment stablecoin and describe the legal and operational mechanisms, as applicable, for how the assets are separately secured. The final rule further specifies that if different classes or brands of payment stablecoins are issued by distinct issuers, including SPV issuers, a separate report must be provided for each issuer.

Moreover, the final rule does not require that reserves of each branded stablecoin be legally separate, and therefore, the OCC is not requiring disclosures related to cross-brand encumbrance. Of course, reserve assets may not be pledged, rehypothecated, or reused as provided in the Act and in § 15.10(c)(5), and every permitted payment stablecoin issuer must maintain reserve assets that at all times have a reserve asset value that equals or exceeds the outstanding issuance value of the permitted payment stablecoin issuer in accordance with § 15.11(a)(1)(iii). As discussed in more detail below, the OCC is not prescribing a specific format for disclosures beyond the reports required in § 15.14, but technology-enabled disclosures are acceptable as long as they conform with the requirements of the Act and this final rule.

In addition to disclosures, many commenters suggested that as an alternative to a single brand restriction, permitted payment stablecoin issuers should segregate reserves based on brand. Another commenter suggested specific regulatory text that would allow for permitted payment stablecoin issuers and foreign payment stablecoin issuers to issue one or more distinctly branded payment stablecoins, provided that the issuer satisfies certain brand-level segregation and disclosure requirements, including that the issuers maintain reserves in segregated account structures, SPVs, or other legally recognized segregation mechanisms approved by the OCC. The commenter suggested that the OCC could consider on a facts-and-circumstances basis whether the issuer's segregation mechanism provides adequate protection for reserves. Another commenter stated that the OCC should recognize certain statutory cell structures established in other jurisdictions as satisfying the legal separateness objective and that not doing so would disadvantage issuers operating in jurisdictions whose corporate law specifically addresses the segregation issue. One commenter suggested that the OCC should address any concerns regarding branded stablecoins through its authority in section 4(h)(1) of the Act (12 U.S.C. 5903(h)(1)) by imposing conditions, including maintenance of segregated reserves at the issuer level, brand-level attestations that reconcile to the issuer's reserves. The same commenter suggested that the OCC should condition certain arrangements where there is an evasion of the reserve requirements in the Act.

In the proposed rule, the OCC also asked whether it should require a permitted payment stablecoin issuer to hold reserves in a SPV that is fully capitalized by the issuer and has no liabilities. While one commenter stated that the OCC has the authority to require the use of SPVs when warranted, a few commenters stated that the OCC should permit, but not mandate, the use of SPVs to hold different reserves. Commenters stated that SPVs should not be mandatory as they would impose substantial structural and operational costs, particularly for smaller issuers and would not provide meaningful additional protection to stablecoin holders. The commenter stated that while SPVs are not prohibited under the GENIUS Act, the regulators should work through resolution options for permitted payment stablecoin issuers and clarify how SPVs would fit into the bankruptcy protections of the GENIUS Act. A different commenter stated that if appropriate, issuers should provide a legal opinion or third-party attestation confirming that each brand's reserve pool is held in a bankruptcy-remote structure. Another commenter opposed requiring SPVs for each brand, stating that legal separateness would not prevent risk. One commenter stated that certain protections apply to the bankruptcy of an issuer, which would raise questions about the status of a SPV and how it would manage liquidity. One commenter stated that a permitted payment stablecoin issuer should only be able to issue more than one brand of payment stablecoin if the reserves are in a SPV, each program's reserves are managed, valued, and reported on a stand-alone basis, and each brand has its own redemption arrangements under which redemptions are payable solely from the brand's reserves. One commenter stated that such SPVs must have documented controls preventing cross-brand reserve encumbrance.

The final rule does not require a specific per-brand reserve segregation requirement, but reserve assets must comply with the requirements of § 15.11, including that they are identifiable and segregated from and not commingled with other assets owned or held by the permitted payment stablecoin issuer. The OCC retains discretion to impose conditions through the licensing process and will consider any segregation mechanisms proposed by the permitted payment stablecoin issuer or foreign issuer as well as any alternative approaches and determine whether such a mechanism or approach provides adequate protection for payment stablecoin holders, which will include consideration of whether reserves are adequately protected. With respect to statutory cell structures, the OCC will evaluate any particular proposed legal segregation mechanism at the time of licensing or registration as well as during ongoing supervision. However, the OCC declines in this rulemaking to make a categorical determination that a particular legal segregation mechanism is sufficient or required. With respect to the commenter's concern regarding evasion, to the extent that a permitted payment stablecoin issuer evades the reserve requirements of the Act, the OCC would consider whether the issuer was violating the Act, § 15.11, or any other requirements in part 15.

As discussed previously, the one-brand-per-issuer structure may better protect the rights of payment stablecoin holders than other models. Specifically, such a structure could help to ensure that the reserves of each brand of payment stablecoin are legally separate, reducing the risk that a run on one brand of payment stablecoin causes a run on other brands of a related payment stablecoin. Accordingly, while the final rule does not require the use of SPVs, the OCC is making changes to the final rule to accommodate the use of multiple SPV issuers and reduce the burden of using such a business model, including by making certain technical changes.

Commenters stated that the OCC should focus on establishing clear regulatory expectations for segregation, clear titling, recordkeeping, and labeling of reserve assets to ensure transparency and that the OCC should allow issuers to present specific mechanisms for separating and tracking reserves across differently branded stablecoins. One commenter suggested segregated account structures, including segregated custodial sub-accounts at eligible financial institutions, customer-property segregation regimes, or other segregation mechanisms approved by the OCC. The commenter further stated that the selected mechanism must have documented controls preventing the encumbrance, pledging, rehypothecation, or commingling of reserves. A few commenters suggested that permitted payment stablecoin issuers can set up separate trusts to otherwise manage reserve assets. Another commenter suggested token-level ring-fencing and compliance controls as well as sub-ledgering of reserves to address concerns.

While the OCC is not requiring a particular reserve segregation method, permitted payment stablecoin issuers are subject to the recordkeeping requirements in § 15.14(f) of the final rule. Accordingly, the OCC believes that the final rule sets clear regulatory expectations for recordkeeping and labeling of reserves. The OCC agrees that issuers should be allowed to present specific mechanisms for separating and tracking reserves and will allow issuers to present a specific mechanism during the licensing or registration process and as part of ongoing supervision. The OCC will consider the use of custodial sub-accounts and other customer segregation mechanisms when making a facts-and-circumstances determination as to whether payment stablecoin holders are adequately protected, including in the event of insolvency. Any custodial sub-accounts must comply with the requirements in final § 15.22(c). The OCC agrees that documented controls can help to strengthen a particular segregation mechanism, which will factor into the OCC's evaluation of whether the mechanism protects payment stablecoin holders. With respect to the use of separate trusts, the OCC again will consider such a mechanism as part of the application process, rather than making a categorical determination as part of this final rule that such a mechanism adequately protects payment stablecoin holders, to ensure a more detailed review of the trusts. Similarly, the OCC will need to evaluate in each instance how an issuer seeks to achieve token-level ring-fencing to better understand its utility. For issuers that use segregation mechanisms, the monthly composition report will already require the sub-ledgering of reserve assets.

In addition to suggestions regarding disclosures and segregation of reserves, many commenters suggested other alternatives to a single brand restriction. For example, a few commenters suggested redemption rights, internal controls, and operational allocation as ways to mitigate concerns regarding uncertainty of reserve assets for permitted payment stablecoin issuers with multiple brands of payment stablecoins.

The OCC will consider an applicant's internal controls and operational allocation when evaluating the permitted payment stablecoin issuer or foreign issuer during the licensing or registration process. An issuer's redemption policies must comply with the Act and, among other things, the requirements for redemption in § 15.12. However, the OCC expects that there may be some situations where redemption rights alone will be insufficient to protect the rights of payment stablecoin holders in the event of insolvency.

A different commenter suggested brand-level CPA examinations and explicit operational controls preventing cross-brand reserve encumbrance. One commenter suggested that the OCC use its supervisory tools to address any issues regarding reserve uncertainty in white-label arrangements.

With respect to the suggestion regarding brand-level CPA examinations, the monthly reserve composition report required under § 15.11(e), which requires reporting of reserve assets by brand, if applicable, must be examined by a registered public accounting firm, and therefore, no further CPA examination is necessary as an across-the-board requirement. Additionally, the OCC will use its supervisory tools to ensure that any concerns regarding white-label arrangements are being managed adequately.

One commenter stated that the OCC should focus on ensuring that there is supervisory coordination and service provider/affiliate risk management to cover bank and nonbank consortium members, including distribution platforms. Another commenter stated that consistent treatment of comparable claimants and operational planning could help mitigate risks related to the issuance of multiple brands of payment stablecoins.

The final rule includes risk management requirements related to affiliate transactions as well as service provider arrangements. Accordingly, permitted payment stablecoin issuers are already expected to ensure sufficient oversight of such arrangements. To the extent that members of a white-label arrangement are regulated by another entity, the OCC will strive to ensure there is supervisory coordination between agencies. With respect to treating comparable claimants consistently, a permitted payment stablecoin issuer must comply with the

Act and the redemption requirements in 12 CFR part 15. Additionally, the OCC encourages operational planning and expects it would be prudent for most issuers to engage in such planning in the ordinary course of business.

One commenter suggested that a permitted payment stablecoin issuer should be required to submit a brand-level stress-period redemption plan setting forth: (i) the threshold conditions that will trigger stress-period mechanisms for the branded payment stablecoins it issues or may issue in the future; (ii) the redemption queue, prioritization, and processing protocols applicable during stress; (iii) the communication and disclosure protocols for that brand's holders; and (iv) the operational steps to ensure that brand-level stress does not propagate to other brands.

The OCC is adding monetization and stress-testing requirements for all permitted payment stablecoin issuers in § 15.13(a)(9) of the final rule. In addition, final § 15.11 requires that permitted payment stablecoin issuers must demonstrate the operational capability to access and monetize identifiable reserve assets to meet redemptions, in both normal and adverse economic, liquidity, market, and interest rate conditions. Accordingly, the OCC is not instituting any white-label specific stress testing because a permitted payment stablecoin issuer that issues multiple brands of payment stablecoins must ensure that it can access and monetize reserve assets to meet redemption requests for all brands of payment stablecoins. As discussed above, the OCC is not instituting additional communication and disclosure protocols. The OCC will consider the operational steps an issuer takes to ensure that brand-level stress does not propagate to other brands as part of the licensing, registration, and ongoing supervisory process.

A few commenters stated that the OCC should align with the FDIC's notice of proposed rulemaking implementing the GENIUS Act and manage brand-level obligations through mandating disclosures and ensuring that required reserves can be separately identified as backing a particular brand of payment stablecoin. A few commenters suggested that if the OCC were not to align with the FDIC, it would create regulatory divergence and favor FDIC-regulated issuers. Similarly, one commenter suggested coordination with the other Federal regulators to ensure consistent requirements for white-label arrangements.

The OCC declines to take the same approach as the FDIC did in its notice of proposed rulemaking, which requires multi-brand issuers to have a segregated pool of reserves that are recorded separately, unless the FDIC approves in writing that the permitted payment stablecoin issuer may commingle reserves. Instead, the OCC is taking a case-by-case approach during the licensing or registration process and will evaluate whether payment stablecoin holders are adequately protected when the issuer issues multiple brands of payment stablecoins. The OCC believes this approach allows issuers flexibility to explain to the OCC how it can adequately protect payment stablecoin holders when issuing multiple brands of payment stablecoins. The OCC will coordinate with other primary Federal payment stablecoin regulators and will continually evaluate its treatment of white-label arrangements to strive for consistent treatment.

A few commenters stated some conditions they would favor if the OCC were to impose a single brand restriction. One commenter stated that if the OCC does require a separate issuer for each brand of payment stablecoin, the OCC would need to clarify how capital, liquidity, and other risk management requirements and governance arrangements would be applied across each separate issuer. Another commenter stated that if the OCC adopts such a restriction, it should clarify that the restriction applies to issuer and custodian functions and does not require highly duplicative per-brand separation of infrastructure.

Although the OCC is not imposing a single brand restriction, the OCC is clarifying how capital, liquidity, and other risk management requirements and governance arrangements would be applied if a permitted payment stablecoin issuer makes use of an SPV during the licensing or registration process. The OCC is committed to ensuring that the use of an SPV would not cause unnecessary duplication of supervisory obligations.

A few commenters remarked on the language in the proposal that suggested that the OCC was considering streamlining the licensing process for affiliates if it were to impose a single brand restriction. A few commenters stated that if the OCC decides that separate legal entities are required for each brand, the OCC should adopt a streamlined approval process. One commenter suggested a notification-based process, under which the OCC confirms approval within a defined timeframe. One commenter stated that the OCC should clarify that a license for a permitted payment stablecoin issuer should extend to cover any consolidated affiliates of the issuer that issue the same token under the same brand and reserve framework, without requiring a separate license application for each affiliate entity. Another commenter stated that any requirements relating to multi-brand issuance should be applied consistently across all OCC-regulated entities. One commenter stated that State regulatory agencies would need to review applications for a new entity and a streamlined process for affiliates of already-approved issuers would be antithetical to how State regulatory agencies operate and would not enhance safety and soundness.

The OCC is not revising the application process for affiliates because it is not imposing a one-brand restriction and the final application process is sufficiently streamlined to limit burden for SPV issuers. To the extent that a permitted payment stablecoin issuer makes use of an SPV, the OCC will ensure that the process is streamlined if the SPV is a separate issuer. If an affiliate is issuing the same token under the same brand and reserve framework but is a different issuer, the issuer would need to apply separately to the OCC through the licensing or registration process; a license to issue payment stablecoins is not a group-wide authorization that automatically extends to affiliates.

Multi-Jurisdictional Stablecoin Issuance

In the proposal, the OCC asked whether it should address permitted payment stablecoin issuers that also issue or redeem the same or similar stablecoins in one or more foreign jurisdictions, sometimes referred to as multi-jurisdictional stablecoin issuance.

Many commenters stated that the OCC should clarify that permitted payment stablecoin issuers may engage in multi-jurisdictional issuance, emphasizing that fungibility, transferability, and global circulation are central features of payment stablecoins. Commenters stated that, absent OCC guidance, multi-jurisdictional issuance could be subject to uncertainty and barriers that impede cross-border adoption and prevent payment stablecoins from circulating on a global basis. One commenter specifically advocated for a safe harbor for such arrangements. One commenter stated that section 4(a)(1)(A)(ii) of the Act (12 U.S.C. 5903(a)(1)(A)(ii)) explicitly permits reserves at correspondents and foreign agents of insured depository institutions, reflecting that permitted payment stablecoin issuers will conduct issuance and redemption activity outside of the

United States as a matter of ordinary operations.

Commenters identified several issues that would result from the OCC not addressing multi-jurisdictional issuance, including duplicative or conflicting supervisory expectations, inefficient reserve allocation, inconsistent redemption architecture, and technical design mandates that fragment liquidity and undermine interoperability. One commenter stated that the OCC should ensure permitted payment stablecoin issuer licenses include like-branded stablecoins issued by consolidated affiliates to ensure OCC visibility and accountability for all like-branded stablecoins. One commenter requested that the final rules enable a permitted payment stablecoin issuer and its foreign affiliate to rebalance reserve assets to meet their redemption needs, provided that the permitted payment stablecoin issuer and its affiliate at all times hold reserves on a 1 to 1 basis against the total outstanding issuance of their aggregate payment stablecoins.

Many commenters mentioned coordination with the United States Department of the Treasury or other regulators with respect to multi-jurisdictional stablecoin issuance. Specifically, a few commenters urged coordination between the OCC and Treasury with respect to Treasury's obligations under section 18 of the Act regarding making determinations that foreign countries have comparable regulatory and supervisory regimes. A few commenters stated that multi-jurisdictional stablecoin issuance should be permissible when Treasury has made a comparability determination or entered into certain reciprocal arrangements.

Another commenter stated that the OCC should not push stablecoin issuers to create multiple licensed entities in different jurisdictions to achieve multi-jurisdictional stablecoin issuance. One commenter stated that even if such a push would have short-term benefits, separate licensing for separate entities in separate jurisdictions would be inconsistent with the GENIUS Act, including with respect to reciprocal arrangements under section 18(d) of the Act (12 U.S.C. 5916(d)). A different commenter stated that foreign jurisdictions seeking reciprocity should not be permitted to impose fundamentally different prudential requirements on permitted payment stablecoin issuers. One commenter stated that the OCC should provide a safe harbor for foreign affiliates that operate under a comparable regime, including guidance that addresses reserve location, reserve rebalancing, disclosures, customer segregation, redemption routing, operational controls, and examination expectations for the relevant permitted payment stablecoin issuers. Another commenter stated that the OCC should clarify that the operations of a permitted payment stablecoin issuer are subject to compliance with applicable requirements under the laws of other jurisdictions in which it issues stablecoins. One commenter stated that the OCC should engage with relevant electronic money institution regulators in the European Union to further support global acceptance of multi-jurisdictional issuance. The commenter further stated that the OCC should prioritize functional coordination with foreign regulators whenever an OCC-supervised permitted payment stablecoin issuer operates through foreign regulated issuing affiliates, including through memoranda of understanding and information sharing protocols.

As explained below, the OCC is not specifically addressing multi-jurisdictional issuance in the regulatory text of the final rule. The OCC agrees with the numerous commenters that stated that the OCC should coordinate with the Department of the Treasury and foreign regulators. Under section 18 of the Act (12 U.S.C. 5916), the Secretary of the Treasury may determine whether a foreign country has a comparable regulatory and supervisory regime upon a recommendation from the other members of the Stablecoin Certification Review Committee. Additionally, the Secretary of the Treasury may also create and implement reciprocal arrangements or other bilateral agreements between the United States and jurisdictions with comparable payment stablecoin regulatory regimes. Accordingly, the OCC declines to provide any guidance on such determinations or reciprocal arrangements, as they are within the authority of the Department of the Treasury. Similarly, the OCC is not providing a safe harbor for foreign affiliates that operate under a comparable regime because these are determinations of the Department of the Treasury that have yet to be made, and as noted, the OCC plans to coordinate with the Department of the Treasury as appropriate on the continuing implementation of section 18 of the Act. Additionally, the OCC will not opine on the applicability of foreign laws because doing so is outside the scope of this rulemaking, which focuses on implementing the GENIUS Act.[73]

The OCC also expects to be able to assess in more detail multi-jurisdictional issuance arrangements on a case-by-case basis, including how such arrangements comply with the requirement in section 4(a)(1)(A) of the Act (12 U.S.C. 5903(a)(1)(A)) that a permitted payment stablecoin issuer ''maintain identifiable reserves backing the outstanding payment stablecoins of the permitted payment stablecoin issuer on at least [a] 1 to 1 basis.''

Because multi-jurisdictional arrangements may involve the rebalancing of reserves among the permitted payment stablecoin issuer and its affiliates, it is especially important that the permitted payment stablecoin issuer comply with the requirement in § 15.11(a) that it maintain reserves that at all times have a reserve asset value that equals or exceeds the outstanding issuance value of the permitted payment stablecoin issuer.

Commenters also suggested specific areas where OCC standards or guidance would be useful with respect to multi-jurisdictional issuance, including disclosures, reporting, supervisory expectations, risk management, the applicable governing regime, reserve treatment, customer-protection requirements, timely redemption, ring-fencing risk, redemption rights, customer segregation, and examination coordination. Several commenters focused on reserve and redemption issues. One commenter stated that the OCC should clarify whether cross-border redemption to foreign bank accounts may be subject to a reasonable timeline longer than two business days. Others stated that the OCC should address reserve rebalancing across jurisdictions, including by permitting reserve assets to move in both directions between a U.S.-based permitted payment stablecoin issuer and cross-border affiliates. One commenter specifically stated that the issuer and its affiliates should maintain reserves on a 1 to 1 basis.

As stated, the OCC is declining to provide specific guidance on multi-jurisdictional issuance beyond the fact that such arrangements must comply with the Act and part 15. The OCC intends to coordinate with Treasury and foreign regulators, as appropriate, prior to providing any guidance on these arrangements. The OCC declines to

[73] The OCC notes that section 3(e) of the Act (12 U.S.C. 5902(e)) provides that section 3 is intended to have extraterritorial effect if conduct involves the offer or sale of a payment stablecoin to a person located in the United States.

provide an exception allowing cross-border redemptions to be completed on a longer redemption timeframe than domestic redemptions. All redemptions must comply with the requirements in § 15.12 of the final rule, including that timely redemptions may not exceed two business days following the date of the requested redemption. As explained below in response to comments about § 15.12, the final rule clarifies the beginning and end of the redemption timeline while retaining the baseline for timely redemption. Under § 15.12(a)(1) of the final rule, the obligation to redeem begins with the receipt of a redemption order from a customer and the satisfaction of conditions necessary to permit redemption (such as customer onboarding). Under § 15.12(a)(2) of the final rule, a redemption that involves an outgoing transfer of monetary value is deemed to occur when the permitted payment stablecoin issuer has fully processed and initiated the outgoing transfer of monetary value to the customer or customer's financial institution as directed by the customer. Given the changes to § 15.12, a longer redemption timeframe for cross-border redemption is unnecessary as certain processes that could take longer in a cross-border context (*e.g.,* the time required for funds to be received or credited to an account) are outside the redemption timeframe. The OCC is not specifically addressing reserve rebalancing in the final rule, except to state that such arrangements must comply with the Act and this final rule, including the requirement that reserve assets must fully back outstanding payment stablecoins at all times.

Commenters also urged clear reporting, disclosures, and brand-level transparency, including measures to distinguish United States issuance activity from foreign activity. With respect to technology, one commenter supported requiring or encouraging blockchain infrastructure to support jurisdiction-specific compliance rule sets, while another opposed OCC mandates for particular technical architectures, such as wrappers, separate token contracts, or separate token addresses. Another commenter stated that operational risks associated with multi-jurisdictional stablecoin issuance should be addressed through existing contingency planning and robust risk management frameworks and that the OCC should require issuers to incorporate cross-border risks (*e.g.,* redemption demand exceeding local liquidity) in contingency planning and liquidity management frameworks.

The OCC agrees that clear reporting, disclosures, and transparency could be helpful in promoting clarity with respect to multi-jurisdictional arrangements, but the OCC needs more information before it can specifically provide clarity on how these topics apply to such arrangements. Similarly, the OCC is not setting any technical mandates for such arrangements for the same reason. To the extent a permitted payment stablecoin issuer engages in multi-jurisdictional issuance, any risk management requirements in the final rule will still apply.

A few commenters urged the OCC to avoid prescriptive requirements, rigid segregation requirements, or a categorical ban that would disfavor multi-jurisdictional issuance. For example, one commenter stated that the OCC should evaluate issuers based on the adequacy of their risk management frameworks rather than impose mandates that could artificially segment tokens, reserves, infrastructure, or disclosures by jurisdiction. Commenters cautioned that such requirements could impair liquidity management, increase operational complexity, undermine fungibility, and worsen redemption risk. Commenters also stated that the OCC should permit shared infrastructure, compliance services, and personnel; allow holders to redeem through any participating permitted payment stablecoin issuer within a network, subject to BSA checks and OCC timely-redemption standards; and consider allowing a unified reserve pool for all outstanding tokens, provided United States holders retain clear redemption rights. One commenter stated that permitted payment stablecoin issuer licenses should include like-branded stablecoins issued by consolidated affiliates. The commenter further stated that permitted payment stablecoin issuer licenses should encompass the issuer and any consolidated affiliates issuing the same token.

The OCC is neither imposing prescriptive requirements nor a categorical ban on multi-jurisdictional issuance as it believes further coordination and experience would be useful to ensure any potential guidance on such arrangements is responsive and fully informed. For these reasons, the OCC declines to provide further guidance on shared infrastructure, redemption rights specific to such arrangements, and the idea of a unified reserve pool. As previously stated, any such arrangements must comply with the Act and the requirements in this final rule, including those related to redemption.

2. Reserve Assets (§ 15.11)

a. Overview of Changes From Proposed Rule to Final Rule for § 15.11

In both the proposed rule and the final rule, § 15.11(a) contains reserve requirements for permitted payment stablecoin issuers. The OCC is adopting § 15.11(a)(1) largely as proposed except for a substitution of ''reserve asset value'' where the proposed rule had used ''total fair value'' in § 15.11(a)(1)(iii). As in the proposal, final § 15.11(a)(2) requires permitted payment stablecoin issuers to demonstrate the operational capability to access and monetize the identifiable reserve assets, but the final rule further explains that such operational capability is to meet redemptions under various conditions after taking into account several relevant factors, which had been raised in the preamble of the proposed rule and are now being codified in the regulatory text itself. New § 15.11(a)(3) requires a permitted payment stablecoin issuer to ensure that reserve asset value will continue to equal or exceed outstanding issuance value at all times and that the reserve asset portfolio will be capable of supporting timely redemption under both normal conditions and adverse economic, liquidity, market, and interest rate conditions, including, to the extent necessary, maintaining a buffer of reserve assets in excess of outstanding issuance value. The agency is adopting proposed § 15.11(a)(3), renumbered as § 15.11(a)(4) and revised, to address when a permitted payment stablecoin issuer may withdraw reserve assets in excess of outstanding issuance value. While the proposed version of this paragraph permitted withdrawals of surplus reserve assets only once per month and explained how a permitted payment stablecoin issuer must make such a withdrawal, the final version permits withdrawals of reserve assets at any time following appropriate due diligence and confirmation that the withdrawal would not cause reserve asset value to fall below outstanding issuance value. Final § 15.11(a)(4) also deletes the phrase ''any surplus'' as superfluous because the phrase ''reserve assets in excess of outstanding issuance value'' sufficiently identifies what constitutes surplus reserve assets. Final § 15.11(a)(4) does not subject income earned from reserve assets to due diligence and confirmation requirements for withdrawal, as long as a permitted payment stablecoin issuer otherwise complies with the requirements of the final rule necessary to ensure that reserve asset value at all

times equals or exceeds outstanding issuance value.

Final § 15.11(b) describes the composition of reserve assets much as the proposed § 15.11(b) did. The OCC is finalizing § 15.11(b)(1), (3), and (4) as proposed. In § 15.11(b)(2), the OCC has modified the description of deposits and insured shares to more closely align with the Act. In adopting the phrasing used by the Act (''funds held as demand deposits''), the OCC is clarifying that reserve assets held as deposits must be deposits payable on demand (*i.e.,* without features that would delay or condition withdrawals), notwithstanding interpretations of the phrase ''demand deposits'' from other contexts.[74] In § 15.11(b)(5), the OCC is making a minor technical change (adding the word ''or''). In § 15.11(b)(6), the OCC is making a technical change to add paragraphs (b)(6)(i) and (b)(6)(ii) but is not changing substantively which securities are eligible as a reserve asset. In § 15.11(b)(7), the OCC is finalizing the rule as proposed with the clarification that OCC approval of other liquid Federal Government-issued assets is subject to such conditions as the OCC may impose consistent with the purposes of the GENIUS Act. In § 15.11(b)(8), the OCC is making minor technical changes.

The final versions of § 15.11(c) and (d) have substantial differences from their proposed versions. For § 15.11(c), addressing reserve asset diversification and concentration, the proposal included two options, described in the proposal as Option A and Option B. The OCC is finalizing the version of § 15.11(c)(1) from Option A but is splitting up proposed § 15.11(c)(1) into paragraphs (c)(1)(i) and (c)(1)(ii) and adding a new paragraph (c)(1)(iii) clarifying that, in order to comply with paragraphs (c)(1)(i) and (c)(1)(ii), permitted payment stablecoin issuers may need to maintain a portfolio of reserve assets that exceeds the requirements of paragraph (c)(2) and the reserve asset value of which exceeds outstanding issuance value.

For § 15.11(c)(2), the OCC is finalizing an edited version of Option B. Whereas § 15.11(c)(1) in Option B required a permitted payment stablecoin issuer to maintain at least 10 percent of its reserve assets as deposits or insured shares payable upon demand or money to the credit of an account with a Federal Reserve Bank, final § 15.11(c)(2)(i) requires at least 5 percent in demand deposits (or other deposits that may be withdrawn upon request at any time), funds in share accounts that are payable on demand, or money standing to the credit of an account with a Federal Reserve Bank. Final § 15.11(c) does not include § 15.11(c)(2) of Option B that would have required an amount of funds to be receivable and due unconditionally within five business days (weekly liquidity). In finalizing the rule, the OCC modified § 15.11(c)(3) of Option B, renumbered as § 15.11(c)(2)(ii), such that a permitted payment stablecoin issuer must limit its exposure to any one counterparty to no more than 40 percent of its reserve assets, subject to certain exceptions. The proposed version had required permitted payment stablecoin issuers to maintain no more than 40 percent of reserve assets at any one eligible financial institution across any of several listed exposures. The agency is finalizing § 15.11(c) without § 15.11(c)(4) and (5) from Option B, which addressed holdings at any one eligible financial institution and the weighted average maturity of reserve assets, respectively.

The OCC replaced § 15.11(d) of the proposed rule, which was about the minimum amount of reserve assets that must be insured, with final § 15.11(d), which describes when reserve assets in the custody of one or more eligible financial institutions are not subject to the 40 percent limitation in final § 15.11(c)(2)(ii).

The OCC is finalizing § 15.11(e) as proposed with conforming and technical edits throughout, including to the template monthly composition report. Additionally, the agency is finalizing § 15.11(f) as proposed with certain clarifying edits. In § 15.11(g), the agency is finalizing the rule as proposed with certain clarifying edits throughout, including using the phrase ''minimum reserve asset amount required by paragraph (a) of this section'' in § 15.11(g)(1), (g)(2), and (g)(3). Additionally, in § 15.11(g)(2)(i), the OCC is clarifying that a noncompliant permitted payment stablecoin issuer may issue new payment stablecoins if permitted by the OCC. The OCC is also making technical changes to § 15.11(g)(4) and splitting that paragraph into three paragraphs (g)(4)(i) through (g)(4)(iii).

b. Reserve Requirements (§ 15.11(a))

Section 4(a)(1)(A) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)) requires a permitted payment stablecoin issuer to maintain identifiable reserves backing the outstanding payment stablecoins of the permitted payment stablecoin issuer on at least a 1 to 1 basis with reserves comprising certain high-quality assets specified in the Act. Section 4(a)(4)(A) of the Act (12 U.S.C. 5903(a)(4)(A)) requires the OCC, among other regulators, to issue regulations to implement certain liquidity standards as well as reserve asset diversification and interest rate risk management standards that are tailored to the business model and risk profile of permitted payment stablecoin issuers and do not exceed the standards that are sufficient to ensure the ongoing operations of permitted payment stablecoin issuers. Section 10 of the GENIUS Act (12 U.S.C. 5909) also imposes requirements on the ''Custody of Payment Stablecoin Reserve and Collateral,'' including restrictions on commingling certain assets. Consistent with these various sources of authority, the proposed rule included requirements related to reserve assets in several sections, including proposed § 15.11 (''Reserve Assets''), § 15.13 (''Risk Management''), and subpart C (''Custody''). Proposed subpart C's custody requirements would have applied to OCC-regulated custodians while proposed § 15.11's reserve asset requirements would have applied to OCC-regulated permitted payment stablecoin issuers. These requirements mirror each other but apply to distinct sets of entities (the permitted payment stablecoin issuers placing the reserve assets and the custodians holding them).

Proposed § 15.11 set forth (a) requirements relating to ensuring that there are sufficient reserves backing a payment stablecoin, (b) the assets eligible to serve as reserve assets, (c) diversification and concentration requirements, (d) minimum insured deposit requirements, (e) monthly reporting requirements, (f) monthly certification requirements, and (g) requirements relating to the failure to maintain the required minimum amount of reserve assets. With respect to diversification and concentration risk, the proposed rule presented two options: Option A (a principles-based general requirement coupled with a quantitative safe harbor) and Option B (mandatory quantitative minimums). The proposed rule also included risk management requirements related to reserve assets, including liquidity and interest rate risk management.

Many commenters offered general comments on the proposed liquidity, diversification, and concentration requirements. Several of these commenters recommended that reserve and redemption requirements should be clear or strict to protect consumers and reduce run risk, and these commenters generally recommended that liquidity requirements should be in line with

[74] *See, e.g.,* 12 CFR 204.2(b)(1) (allowing a deposit with a notice period of up to 7 days to be considered a ''demand deposit'').

those that apply to banks. One commenter stated that the proposed rule's emphasis on high-quality reserves, segregation of assets, defined redemption timelines, and operational backstops is directionally supportive of credit stability.

A few commenters stated that the proposed liquidity and diversification requirements were overly strict or inflexible. One of these commenters also argued that the GENIUS Act grants the OCC authority to require reserve asset diversification but not diversification across reserve asset custodians. One commenter stated that liquidity, diversification, and concentration requirements are not adequate to prevent the risk of stablecoins ''breaking the buck'' and that only capital protections are adequate to address those losses.

One commenter stated that liquidity requirements should focus on the speed and reliability of monetizing assets since the relevant stress scenario for permitted payment stablecoin issuers is a surge in redemption rather than deterioration in asset quality. Another commenter recommended that liquidity requirements be tiered based on issuer size. One commenter stated that reserve composition requirements do not address the liquidity-during-receivership gap demonstrated by the failure of Silicon Valley Bank.

A few commenters stated that concentration requirements should be calibrated to existing supervisory expectations to avoid duplicative burdens. One commenter argued that concentration risk should be assessed together with the quality and operational reliability of the counterparty, as it may be safer for large-scale issuers to rely on concentrated exposure to a stronger, better integrated institution that can provide operational liquidity at sufficient scale to satisfy timely redemption. One commenter favored a principles-based approach to concentration and diversification in lieu of fixed limits, and this commenter cautioned that concentration and diversification requirements could push reserve assets to institutions with less operational capability to manage and deploy reserve assets. One commenter recommended addressing concentration risk by requiring larger issuers to report sector-level concentrations. A few commenters recommended against adding additional categories of risk to be considered beyond credit, liquidity, interest rate, and price risk. One of these commenters stated that counterparty risks can be better addressed through the examination process than with quantitative limits.

After carefully considering the comments received, the OCC is revising § 15.11 to provide additional flexibility while still including certain core requirements intended to ensure that payment stablecoins remain appropriately reserved at all times and available to meet redemptions. A detailed description of the proposed rule and changes to it, including the OCC's reasoning for any changes, follows. At a high level, the OCC is adopting a principles-based approach with respect to reserve asset diversification and concentration requirements supplemented by two quantitative requirements designed to ensure a minimum amount of daily liquidity and avoid excessive concentration with respect to a single counterparty (*e.g.,* to address the possibility of operational disruptions at certain counterparties and to mitigate potential credit risk posed by certain counterparties). The final rule also includes additional provisions designed to ensure that permitted payment stablecoin issuers are able to monetize reserve assets in stressed conditions, including new stress-testing provisions in § 15.13, and provisions relating to the use of custodians.

i. Description of Proposed Rule

Proposed § 15.11(a)(1) would have required that permitted payment stablecoin issuers maintain reserve assets that: (i) are identifiable; (ii) are segregated from and not commingled with other assets owned or held by the permitted payment stablecoin issuer; (iii) at all times have a total fair value that equals or exceeds the outstanding issuance value of the permitted payment stablecoin issuer; and (iv) are either held directly by the permitted payment stablecoin issuer or within the custody of an eligible financial institution. To maintain reserve assets that are ''identifiable'' and comply with proposed § 15.11(a)(1)(i), permitted payment stablecoin issuers would have needed to maintain appropriate records to ensure documented ownership and legal entitlement to individual reserve assets. Similarly, any ownership arrangements, including ownership of assets held via custodians, must comply with applicable laws and regulations, for example, requirements applicable to customer securities owned through the Fedwire Securities Service. An issuer would have been required to maintain the appropriate operational capabilities, internal controls, policies, and safeguards to ensure that stablecoins are always backed by reserves on an at least 1 to 1 basis. Among other things, safeguards could include mechanisms to prevent the issuance of abnormally large amounts of new payment stablecoins without additional approvals.

To comply with the requirement in proposed § 15.11(a)(1)(ii), a permitted payment stablecoin issuer would have needed to ensure that reserve assets were appropriately segregated from and not commingled with other assets owned or held by the permitted payment stablecoin issuer.

To comply with the requirement in proposed § 15.11(a)(1)(iii), a permitted payment stablecoin issuer would have needed to ensure that the fair value of reserve assets equaled or exceeded the outstanding issuance value of the permitted payment stablecoin issuer.

Proposed § 15.11(a)(1)(iv) would have required that the reserve assets must either be held directly by the permitted payment stablecoin issuer or within the custody of an eligible financial institution, which is defined in proposed § 15.2.

Proposed § 15.11(a)(2) would have required that a permitted payment stablecoin issuer demonstrate the operational capability to access and monetize the identifiable reserve assets, commensurate with the permitted payment stablecoin issuer's risk profile and business model. The issuer would have needed to be able to monetize the reserve assets, potentially quickly and at short notice, in order to meet redemption requests.

To comply with proposed § 15.11(a)(2), a permitted payment stablecoin issuer would have needed to be able to demonstrate the ability to monetize all types of reserve assets it maintains.

Proposed § 15.11(a)(3) included requirements for when permitted payment stablecoin issuers could withdraw reserve assets in excess of outstanding issuance value. In order to ensure that, at all times, sufficient reserve assets are maintained to back outstanding stablecoin issuance, permitted payment stablecoin issuers would have been permitted to withdraw excess reserve assets only after the monthly examination and certification required by section 4(a)(1) of the GENIUS Act (12 U.S.C. 5903(a)(1)) and provided for in proposed § 15.11(e) and (f). Specifically, permitted payment stablecoin issuers would have been able to withdraw any surplus reserve assets in excess of outstanding issuance value, calculated and reported as of the last day of the previous month, only upon the publication of that month's public disclosure, due at the end of the subsequent month. Proposed

§ 15.11(a)(3) would have also required that, while withdrawals would be based on calculations as of the end of the previous month, a permitted payment stablecoin issuer could only make withdrawals if the remaining reserve assets remained at least equal to the current outstanding issuance value, calculated as of the day of withdrawal.

ii. Description of Comments and the Final Rule

Commenters expressed different views regarding proposed § 15.11(a)(1)(iii)'s requirement that permitted payment stablecoin issuers maintain reserves that ''[a]t all times have a total fair value that equals or exceeds the outstanding issuance value of the permitted payment stablecoin issuer,'' both regarding the ''at all times'' standard and the potential propriety of alternative valuation methodologies.

Regarding the ''at all times'' standard, some commenters supported a real-time valuation standard, noting that proof of reserves technologies can provide near-real-time information regarding reserves. Some of the commenters further noted that the OCC should allow permitted payment stablecoin issuers to rely on continuous, cryptographically verifiable on-chain attestations provided by eligible custodians to fulfill this requirement. However, other commenters believed that the language was ambiguous, that a strictly real-time valuation standard would introduce unnecessary complexity, be impractical and, in some cases, may be impossible, based on underlying technology, intra-day asset value fluctuations, and settlement or clearing timing differences, and would be out of step with how other assets are valued. These commenters instead supported an end-of-day standard as more practical and effective.

Regarding the valuation of reserve assets, some commenters noted that fair value may not be applicable in all cases. These commenters noted examples such as money market mutual funds, which are measured at their net asset value, and reverse repo agreements, which may be carried at cost less impairment. Some commenters recommended allowing valuation using amortized cost.

The OCC requested comment on whether ''the proposed rule [should] include additional measures to ensure that reserve assets are appropriately traceable and linked to their corresponding stablecoin so as to avoid any difficulties in resolving claims to reserve assets.'' One commenter responded that such traceability would be operationally impractical and would not have a commensurate risk management benefit. The OCC agrees and has not adopted any additional regulation text requiring that reserve assets be traceable and linked to their corresponding payment stablecoin for these reasons. The OCC notes, however, that permitted payment stablecoin issuers must maintain identifiable reserves backing the outstanding value of payment stablecoins.[75] One commenter requested that the OCC clarify the permissibility of automated reserve asset management systems, including those executed via smart contracts.

After careful consideration of the comments, the OCC is finalizing § 15.11(a)(1) with one minor change. The final rule replaces a reference to ''total fair value'' with the new defined term ''reserve asset value.'' The final rule continues to require an issuer to maintain reserve assets, the value of which equals or exceeds the outstanding issuance value of the permitted payment stablecoin issuer at all times. This requirement follows directly from section 4(a)(1)(A) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)). The final rule also continues to require reserve assets to be valued at fair value (with the exception of United States coins and currency, which must be valued at par) as a result of the new defined term ''reserve asset value.'' Valuing reserve assets at fair value (*i.e.,* market value) will help ensure that the reserve assets maintained by the permitted payment stablecoin issuer reflect current prices and will be monetizable at a value sufficient to meet any redemption requests at par value. The OCC notes that ''outstanding issuance value'' is based on the total par value of all of a permitted payment stablecoin issuer's payment stablecoins rather than on the fair value of the outstanding issued payment stablecoin. Thus, if the fair value of the payment stablecoin decreased (*i.e.,* if the payment stablecoin de-pegged in the secondary market), the permitted payment stablecoin issuer would nevertheless be obligated to retain a stock of reserve assets, the fair value of which equals or exceeds the par value of outstanding payment stablecoins.

Taking a contrary approach (*e.g.,* basing the outstanding issuance value on the fair value of payment stablecoins) would be inconsistent with the plain text and goals of the GENIUS Act.[76] Moreover, such an approach could allow permitted payment stablecoin issuers to inappropriately remove assets from the required stock of reserve assets when stablecoins de-peg (as reserve asset requirements decline, along with the secondary market price of the stablecoin), rather than maintaining the reserve assets on behalf of stablecoin holders, which may in turn exacerbate run risk for a permitted payment stablecoin issuer. In response to certain comments, the OCC confirms that permitted payment stablecoin issuers may use automated reserve asset management systems provided that the systems used conform to the requirements of §§ 15.11, 15.13, and 15.14 as well as any other applicable requirements in part 15.

The OCC notes that it anticipates that reserve assets generally will be recorded on the permitted payment stablecoin issuer's balance sheet under GAAP and be included in the quarterly reports required under proposed § 15.14(i) and on Call Report Schedule RC, Balance Sheet, for a parent insured national bank or Federal savings association.

Several commenters addressed the requirement in proposed § 15.11(a)(3) that a permitted payment stablecoin issuer may only ''withdraw any surplus reserve assets in excess of outstanding issuance value once per month, upon publication of the composition report required.'' Many commenters requested clarifications or amendments to this proposed requirement. Some commenters noted that the requirement may have unintended consequences—for example, it may disincentivize issuers holding excess reserves since the rule would impose a significant delay should the issuer decide to withdraw some amount of such excess. Other commenters suggested that the end-of-month timing may incentivize issuers to increase their reserves at month's end. One commenter argued that surplus reserve withdrawals should be calculated based on the present value of the reserves, rather than the value reported for the prior month. The commenter stated that this approach would decrease risk that withdrawals cause the reserve assets to fall below the 1 to 1 ratio. Still another commenter requested clarification as to whether withdrawals may only occur on the actual day of the specified report in § 15.11(e) (discussed below).

Some commenters requested clarity on when an asset becomes a reserve asset and recommended adding requirements concerning the handling of funds prior to the point at which they become reserve assets. Some commenters advocated for requiring reserve principal, earnings, and interest to remain identifiable and traceable until the issuer verifies the existence of excess and completes an authorized

[75] *See* 12 U.S.C. 5903(a)(1)(A).

[76] *Id.*

withdrawal procedure. Others opposed treating interest generated from reserve assets as reserve assets, stating that such treatment is not mandated by statute. Some argued in favor of treating customer funds as reserve assets immediately on receipt of such funds.

Relatedly, several commenters expressed views on the propriety of charging expenses related to management of the reserve assets against the reserve assets. Many commenters stated that, as a general matter, such expenses should not be chargeable against the reserve assets. However, several commenters offered exceptions, for example, one commenter noted that transaction-related expenses, such as interest on repurchase agreements or investment management fees, should be chargeable against the reserve assets. Another commenter stated that management should have discretion as to the use of excess reserves if the use of such excess reserve assets is subject to an appropriate policy or agreement.

Several commenters noted the importance of liquidity planning regarding reserve assets in addition to an issuer's broader risk management obligations. Several commenters, for example, suggested that permitted payment stablecoin issuers should be required to adopt written plans, policies, and procedures related to liquidity planning, noting the importance of formal documentation in forcing an issuer to identify risks in advance, assign responsibility, and assess contingency options prior to stress arising. Other commenters discussed specific contingency planning issues, such as Federal Reserve discount window or Federal Home Loan Bank lending access for certain issuers or mandated recovery and resolution plans. Still other commenters noted that liquidity and contingency plans should be tailored to an issuer's operational and risk profile or should take into account any related liquidity planning that an issuer may already be subject to under other regulations.

Other commenters noted that it is also important for permitted payment stablecoin issuers to plan for interest rate and credit risk regarding reserve assets. For example, commenters suggested that the OCC require written interest rate and credit risk management plans, policies, and procedures. However, other commenters stated that the asset diversification and concentration expectations in the proposal are sufficient to address interest rate and liquidity risk.

Commenters also suggested that the OCC provide guidance on liquidity, interest rate, and credit risk management, including, for example, expectations regarding liquidity depth, redemption flow, measurement methodologies, risk appetites, counterparty due diligence, the unique risks posed by custodians and other intermediaries, and other topics related to reserve asset risk management.

In addition to the reserve asset risk management requirements included in the proposed regulation itself, the proposed rule requested comment on two specific potential requirements: stress testing and buffers. The OCC requested comment on whether permitted payment stablecoin issuers should be required to conduct stress tests, including as to their management of liquidity and interest rate risk. Commenters largely supported the use of stress tests as a risk management tool, though commenters differed on their views as to how any stress-testing expectations should be implemented in the regulation. Numerous commenters stated that the OCC should expressly require permitted payment stablecoin issuers to undertake liquidity and interest rate risk stress tests, with some commenters providing proposed standards (*e.g.,* documentation requirements, thresholds issuers would be expected to meet, consequences for failing to meet such thresholds) or scenarios. One commenter suggested that a stress testing requirement could substitute for the weighted average maturity requirement (or safe harbor) in proposed § 15.11(c). Relatedly, several commenters suggested broader ''monetization testing'' to ensure that issuers' channels for converting reserve assets into liquid funds are operational and reliable under normal and stressed circumstances. Finally, one commenter suggested that the OCC design and conduct multi-issuer stress tests prior to the effective date of the GENIUS Act and publish the results.

Other commenters noted the utility of stress testing but stated that the OCC should not impose prescriptive requirements but rather adhere to a principles-based approach, under which stress testing may be an appropriate risk-based approach for an issuer depending on its characteristics. One commenter stated that any stress testing requirements would be better issued at a later date after the OCC gains experience supervising permitted payment stablecoin issuers and an understanding of the potential utility of such stress tests.

The proposed rule noted that it ''includes robust liquidity requirements but does not include capital-based overcollateralization or reserve asset buffer requirements. An alternative possibility would be to remove some of the proposed liquidity requirements, though this may warrant increased capital or buffer requirements.'' Additionally, the OCC posed several questions to commenters on how such an approach might be handled.[77] Several commenters requested that the OCC require a permitted payment stablecoin issuer to hold a ''buffer'' of reserve assets—that is, to overcollateralize its reserves or apply haircuts against the values of certain reserve assets—such as a standardized across-the-board 1 percent buffer or a codification of the Fixed Income Clearing Corporation Government Securities Division Clearing Fund haircut schedule published by the Depository Trust & Clearing Corporation for United States Treasuries. Others rejected standardized approaches, arguing that they are inconsistent with the GENIUS Act's tailoring requirement. These commenters instead suggested that any buffers be specific to an issuer based on the facts and circumstances or else discussed the relative benefits of buffers in the GENIUS Act reserve asset context since such assets are generally low-risk assets.

Some commenters also recommended that the OCC explicitly address in guidance that both the monetization capability standard and the diversification framework are intended to be jointly satisfiable, and that supervisory assessments will take into account the operational constraints that diversification arrangements may place on monetization capability.

After careful review of the comments, the OCC has made several changes to § 15.11(a)(2) and (3) and added new paragraph (a)(4) to the final rule. As discussed below, the final rule reduces the number of quantitative requirements relating to reserve asset liquidity, diversification, and concentration from the number that were included in Option B of the proposed rule. To ensure that permitted payment stablecoin issuers remain adequately reserved, the OCC is balancing these reduced quantitative requirements with new provisions emphasizing the ability of a permitted payment stablecoin issuer to maintain the appropriate level of reserve assets and to monetize those assets. Some of those provisions, including those relating to stress testing, are also addressed in the final rule's risk management provisions. Paragraphs

[77] For example, question 46 in the proposed rule asked more detailed questions about whether a reserve buffer was warranted.

(a)(2) through (4) also provide certain clarifications in response to comments.

Paragraph (a)(2) of the final rule's § 15.11 requires a permitted payment stablecoin issuer to demonstrate the operational capability to access and monetize the identifiable reserve assets to meet redemptions, in both normal and adverse economic, liquidity, market, and interest rate conditions, commensurate with the permitted payment stablecoin issuer's risk profile and business model, taking into account, among other relevant factors, market access, financing channels, haircut assumptions, and operational readiness. Depending on a permitted payment stablecoin issuer's size, risk profile, business model, activities, and operations, a permitted payment stablecoin issuer may be able to demonstrate monetization in different ways. For example, it may be sufficient for some permitted payment stablecoin issuers to demonstrate the ability to monetize Treasury bills they hold as reserve assets by establishing that they maintain appropriate repurchase arrangements through which they can quickly sell Treasury bills and receive liquid funds with which they can satisfy redemption requests.

For other permitted payment stablecoin issuers, for example, larger permitted payment stablecoin issuers or permitted payment stablecoin issuers with more complicated operations, additional measures may be appropriate to demonstrate the operational capability to monetize. It may be appropriate for such permitted payment stablecoin issuers to maintain multiple alternative methods of monetization (for example, multiple repurchase agreement lines or repurchase agreement lines plus arrangements allowing outright sales of Treasury securities) to satisfactorily demonstrate the ability to monetize their reserve assets. Such redundant arrangements may be necessary if a permitted payment stablecoin issuer maintains a sufficiently large Treasury position that it could be difficult to monetize the entire position through transactions with a single repo counterparty or if a permitted payment stablecoin issuer maintains concentrated positions in particular types of reserve assets. The availability of multiple monetization channels is intended to help ensure that a permitted payment stablecoin issuer is not required to monetize assets at reduced or ''fire sale'' prices. Having alternative monetization channels reduces the risk that a permitted payment stablecoin issuer would be obliged to accept unfavorable pricing when monetizing reserve assets under stress.

For certain permitted payment stablecoin issuers, it may be appropriate to periodically conduct actual monetization transactions (that is, actual outright sales or repurchase transactions) in order to demonstrate the ability to monetize. Actual transactions can more fully confirm that monetization capabilities exist. In the absence of actual test transactions, potential barriers to monetization may still exist. Permitted payment stablecoin issuers may be unfamiliar with or lack the procedures and systems to monetize assets at any time in accordance with standard settlement periods and processes. For example, internal staff may be unprepared to execute procedures, or borrowing agreements may name authorizing officials who are unavailable or inappropriate. Actual monetization transactions may be appropriate, for example, for permitted payment stablecoin issuers with unusually complicated operations or organizational structures, or for permitted payment stablecoin issuers that are particularly dependent on certain monetization channels or the ability to monetize particular assets. Periodic actual monetization transactions can minimize the risk of negative signaling during financial stress and help prepare the issuer to move quickly if necessary to acquire additional liquidity.

If a permitted payment stablecoin issuer begins using a monetization channel that it has not regularly used in the past, that may spark concerns about the financial health of the issuer. For example, if a permitted payment stablecoin issuer has pre-established a repurchase agreement with a bilateral counterparty but never utilized it, sudden utilization of the repurchase agreement may generate concerns that the issuer is experiencing a run on its stablecoins. Periodic test transactions using multiple monetization channels can mitigate such concerns and may be particularly important for large, systemically important issuers where concerns about financial distress are more likely to contribute to contagion. Permitted payment stablecoin issuers may be able to demonstrate the ability to execute actual monetization transactions in the ordinary course of their business (for example, redeeming stablecoins) and would not necessarily be required to engage in additional test transactions.

Paragraph (a)(3) of the final rule's § 15.11 requires a permitted payment stablecoin issuer to ensure that reserve asset value will continue to equal or exceed outstanding issuance value at all times and that the reserve asset portfolio will be capable of supporting timely redemption under both normal conditions and adverse economic, liquidity, market, and interest rate conditions, including, to the extent necessary, maintaining a buffer of reserve assets in excess of outstanding issuance value. This requirement will provide permitted payment stablecoin issuers flexibility in composing their reserve asset portfolio while ensuring that permitted payment stablecoin issuers are able to maintain 1 to 1 backing at all times. The final rule does not mandate a particular buffer level but makes clear that such a buffer may be appropriate, depending on the makeup of the reserve asset portfolio of a permitted payment stablecoin issuer. Permitted payment stablecoin issuers with certain reserve asset portfolios may not be required to maintain any buffer, or only a small buffer, in order to comply with paragraph (a)(3), for example, reserve asset portfolios consisting entirely of reserve assets that represent immediately available liquidity, such as deposits payable upon demand. In contrast, it may be necessary for permitted payment stablecoin issuers with longer-duration reserve asset portfolios to maintain a more substantial buffer.[78]

Paragraph (a)(4) of the final rule's § 15.11 modifies proposed § 15.11(a)(3). Under this paragraph of the final rule, a permitted payment stablecoin issuer may only withdraw reserve assets in excess of outstanding issuance value after appropriate due diligence and confirmation that the withdrawal would not cause the reserve asset value to fall below outstanding issuance value, calculated as of the time and date of withdrawal. In response to comments, the revised paragraph provides additional flexibility, especially with respect to timing, to permitted payment stablecoin issuers with respect to removing reserve assets in excess of outstanding issuance value while facilitating the OCC's key goal of

[78] The proposed rule described how an interest rate increase of the magnitude experienced in the early 1980s would result in a 90-day security losing approximately .79 percent of its value. *See* Fed. Reserve Econ. Data, ''Table Data—3-Month Treasury Bill Secondary Market Rate, Discount Basis,'' *https://fred.stlouisfed.org/data/WTB3MS* (including Treasury Bill secondary market rates for February 8, 1980, and March 7, 1980, with an increase from 12.05 percent to 15.37 percent between those dates). While some commenters objected that the interest rate increase experienced in the early 1980s was unlikely to recur, the OCC believes that an interest rate increase of this magnitude represents a plausible adverse scenario for which issuers may be required to plan, depending on their portfolio of reserve assets.

ensuring that permitted payment stablecoin issuers meet, at all times, their obligations under section 4(a)(1)(A) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)).

The final rule also does not apply the withdrawal limitation in § 15.11(a)(4) to income earned on reserve assets. However, the OCC emphasizes that assets serving as reserves must be identified as such by the permitted payment stablecoin issuer and that, in no situation may a permitted payment stablecoin issuer have an outstanding issuance value that exceeds its reserve asset value. For example, a permitted payment stablecoin issuer may be able to direct income earned on a reserve asset outside the portfolio of reserve assets while maintaining the principal of the reserve asset inside the portfolio. Any such procedures must comply with the requirements of the final rule, including the requirements in § 15.11(a)(1)(i) that reserve assets be ''identifiable'' and § 15.11(a)(1)(ii) that reserve assets be ''segregated from and not commingled with other assets owned or held by the permitted payment stablecoin issuer.''

Consistent with § 15.11(a)(3) of the final rule, a permitted payment stablecoin issuer may, depending on various factors, also need to hold a buffer to ensure that its reserve asset value will continue to equal or exceed its outstanding issuance value. Accordingly, a permitted payment stablecoin issuer must ensure that a withdrawal of reserve assets does not cause the issuer to violate § 15.11(a)(3) or (a)(4) of the final rule.[79] A permitted payment stablecoin issuer may choose to hold funds that back minted, but not yet issued payment stablecoins, either as reserve assets or not as reserve assets, but upon issuance of the payment stablecoin, the payment stablecoin must be backed by identifiable reserve assets.

c. Reserve Asset Composition (§ 15.11(b))

i. Description of Proposed Rule

Under proposed § 15.11(b), reserve assets would have comprised only: (1) United States coins and currency (including Federal Reserve notes) or money standing to the credit of an account with a Federal Reserve Bank; (2) funds held as deposits or insured shares payable upon demand at an insured depository institution (including any foreign branches or agents, including correspondent banks, of an insured depository institution), subject to any limitation established by the FDIC and the National Credit Union Administration, as applicable, pursuant to section 4(a)(1)(A)(ii) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(ii)) to address safety and soundness risks of such insured depository institution; (3) Treasury bills, Treasury notes, or Treasury bonds with a remaining maturity of 93 days or less;[80] (4) money received under repurchase agreements, with the permitted payment stablecoin issuer acting as a seller of securities and with a no longer than overnight maturity, that are backed by Treasury bills with a maturity of 93 days or less;[81] (5) reverse repurchase agreements, with the permitted payment stablecoin issuer acting as a purchaser of securities and with a no longer than overnight maturity, that are collateralized by Treasury bills, Treasury notes, or Treasury bonds on a no longer than overnight basis, subject to overcollateralization in line with standard market terms, that are: (i) tri-party; (ii) centrally cleared through a clearing agency registered with the Securities and Exchange Commission; or (iii) bilateral with a counterparty that the issuer has determined to be adequately creditworthy even in the event of severe market stress; (6) securities issued by an investment company registered under section 8(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–8(a)), or other registered Government money market fund, and that are invested solely in underlying assets described in proposed § 15.11(b)(1) through (5);[82] (7) any other similarly liquid Federal Government-issued asset approved by the OCC, in consultation with the State payment stablecoin regulator, if applicable, of the permitted payment stablecoin issuer; or (8) any reserve described in proposed § 15.11(b)(1) through (3), (6), or (7), in tokenized form, provided that such reserves comply with all applicable laws and regulations.

In determining whether a potential reserve asset qualifies as ''any other similarly liquid Federal Government-issued asset,'' under proposed § 15.11(b)(7) the OCC would have considered, among other relevant factors, whether: (i) the asset has liquidity characteristics, including during times of stress, comparable to the other reserve assets allowed under proposed § 15.11(b); (ii) permitted payment stablecoin issuers will be operationally capable of monetizing the asset to meet redemption requests, including sudden and high-volume requests; (iii) the asset poses levels of risk comparable to the assets allowed under proposed § 15.11(b), including interest rate risk and counterparty credit risk; and (iv) the asset introduces additional risks that may be difficult for permitted payment stablecoin issuers to manage.

ii. Description of Comments and the Final Rule

A few commenters generally favored the reserve asset composition set forth in the OCC's proposed rule. One commenter recommended that issuer reserves should be permitted to be composed entirely of Treasuries, overnight Treasury repurchase agreements, and their equivalents, considering their low credit risk. Another commenter recommended that all permitted payment stablecoin issuers should be required to hold a majority of their reserves as deposits in insured depository institutions and Treasuries with a remaining maturity of no longer than 93 days.

Physical Currency

Overall, commenters supported limited recognition of physical currency, subject to basic safeguards rather than detailed prescriptive requirements. A few commenters addressed physical currency and generally suggested that the OCC adopt a simple, principles-based approach because physical currency is unlikely to serve as a significant reserve asset in

[79] In addition, to the extent that an issuer relies on income earned on reserve assets to meet its required reserve asset value, the income would be subject to the requirements of § 15.11(a)(4). Issuers should consider the effect of withdrawals on the fair value, and consequently the reserve asset value, of their reserve assets.

[80] Section 4(a)(1)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(iii)) permits the inclusion of Treasury bills, notes, or bonds ''(I) with a remaining maturity of 93 days or less; or (II) issued with a maturity of 93 days or less.'' The proposed rule combined these categories since the former category includes the latter, at least for purposes of complying with the requirements of proposed § 15.11. Permitted payment stablecoin issuers may choose to categorize these assets separately for other reasons, for example accounting or risk management purposes. For clarity, the 93-day limitation begins as of the settlement date of the purchase of the Treasury securities.

[81] The proposed rule clarified that a repurchase agreement or reverse repurchase agreement with an intraday maturity could qualify as a permitted reserve asset. Sections 4(a)(1)(A)(iv) and (v) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(iv) and (v)) specifically refer to repurchase agreements and reverse repurchase agreements with an overnight maturity. The OCC believes that these provisions are intended to permit repurchase agreements and reverse repurchase agreements with a maturity no longer than overnight. Thus, the proposed rule would have explicitly permitted the use of intraday repurchase agreements and reverse repurchase agreements.

[82] A money market fund that invests in any other assets, including in Treasury securities with a remaining maturity longer than 93 days, would not be eligible to be held as a reserve asset.

practice. One commenter stated that any physical currency held as a reserve asset should be valued at par. Another commenter noted that physical currency should be permitted only within defined limits, such as a small percentage of total reserves and potentially subject to geographic distribution requirements, while recognizing that some operating balance in physical currency may be practical for smaller issuers.

The final rule does not impose direct limits on the use of physical currency in § 15.11(b)(1) or elsewhere, but, as discussed above, physical currency must be valued at face value (rather than fair market value). In addition, risk management considerations, in particular operational risk, will likely discourage the extensive use of physical currency as reserve assets.[83]

Reserve Bank Balances

Overall, commenters generally supported greater clarity on the treatment of reserve bank balances but differed on whether such balances should receive preferential treatment or be subject to concentration safeguards. Several commenters suggested that reserve bank balances be exempt from concentration limits and argued that balances at Federal Reserve Banks do not present credit risk and that treating reserve banks like insured depository institutions would impose unnecessary operational constraints without corresponding safety benefits. A few commenters stated that the OCC should work with the Federal Reserve to permit an operating subsidiary of an insured depository institution to open a master account directly or maintain a designated sub-account of its parent institution's Federal Reserve master account. In contrast, one commenter stated that exempting Federal Reserve master accounts from concentration limits could confer a competitive advantage on banks and urged the OCC to revisit the issue after the Federal Reserve further addresses payment account implementation or clarifies master account eligibility. Another commenter stated that, if a permitted payment stablecoin issuer were to obtain master account access, the OCC should limit the share of reserve assets that may be held at a Reserve Bank.

As discussed below, the final rule, like the proposed rule, imposes a 40 percent single counterparty limit with respect to money standing to the credit of a Federal Reserve Bank. The OCC determined that, although Federal Reserve Banks do not present counterparty credit risk, providing preferential treatment for the placement of reserve assets at Federal Reserve Banks could implicate financial stability risks. In times of stress, permitted payment stablecoin issuers may generally have an incentive to move reserve assets out of commercial banks and into Federal Reserve Banks. Imposing a 40 percent single counterparty limit on commercial banks but not Federal Reserve Banks could exacerbate this dynamic. This flight could also lead to increased money market volatility and potentially impede the transmission of monetary policy. Thus, consistent with the OCC's authority and mandate under section 4(b) of the GENIUS Act (12 U.S.C. 5903(b)) to ensure financial stability, the final rule applies a 40 percent single counterparty limit with respect to money standing to the credit of a Federal Reserve Bank.

Although the OCC has coordinated and will continue to coordinate with the Federal Reserve in the agencies' implementation of the GENIUS Act, the OCC declines to provide guidance on Federal Reserve master account structures, consistent with its approach to national banks, as master account access is outside the OCC's statutory authorities.

Deposits

Some commenters suggested that permissible reserve assets should include a broader range of deposit arrangements, including ordinary deposit and settlement accounts. To emphasize that settlement accounts are a routine and important part of reserve operations, some commenters stated that reserves should not be limited to custody account arrangements. Other commenters stated that the term ''demand deposit'' should be interpreted to include money market deposit accounts and similar deposits that may not formally qualify as demand deposits, so long as the permitted payment stablecoin issuer can withdraw the funds at any time. One commenter stated that this interpretation is necessary to give effect to the concept of funds being ''payable on demand'' and would broaden the range of depository institutions permitted to hold reserve assets, including industrial loan companies that may not accept demand deposits. A few commenters opposed requiring or encouraging reserve assets to be held as insured deposits or shares, arguing that: (i) deposit insurance resources are not designed to support stablecoin volumes, (ii) increased coverage could raise unfair assessment burdens on banks, (iii) payment stablecoins are not deposits, and (iv) diversification into bank deposits could increase risks to the banking system. One commenter also cautioned that uninsured deposits are neither risk-free nor always highly liquid.

A few commenters addressed insurance-related issues for reserve assets and generally urged greater clarity regarding the treatment and risks of insured and uninsured deposits. One commenter recommended that the OCC explore a supplemental excess deposit insurance or guarantee mechanism for stablecoin reserve deposits held in trust for payment stablecoin holders. Some commenters argued against permitting uninsured deposits because they would leave stablecoins highly vulnerable to runs. One commenter noted that disclosures should clearly explain the level of protection available for insured and uninsured deposits, including whether tokenized deposits qualify for deposit insurance or whether insurance does not pass through to token holders. One commenter also referenced the American Institute of Certified Public Accountants' (AICPA) stablecoin criteria as supporting explicit disclosure where deposit insurance does not pass through to the token holder.

A few commenters urged the OCC not to categorically limit reserve deposits to United States insured depository institutions and instead to permit deposits held through foreign banking organizations, foreign branches, or correspondent banking arrangements under appropriate conditions. Some commenters stated that the statute permits deposits to be maintained at foreign banking organizations, including where those institutions maintain correspondent accounts with United States insured depository institutions. Some commenters stated that foreign banks operating in the United States should receive national treatment and thus should be allowed to conduct the same activities as United States financial institutions. Other commenters stated that permitted payment stablecoin issuers may have legitimate operational needs for reserves in non-U.S. locations, including to meet requirements established under reciprocal arrangements. Several commenters stated that restricting U.S. dollar-denominated payment stablecoins to demand deposits at United States-based depository institutions would be disproportionate, commercially harmful, and inconsistent with a competitive and accessible

[83] *See, e.g.,* OCC, *Comptroller's Handbook,* ''Cash Accounts'' 5–25 (1998) (discussing cash account risk management considerations in OCC exam procedures); OCC, *Comptroller's Handbook,* ''Custody Services'' 6–8 (2002) (discussing custody services risk management considerations).

stablecoin framework. Some commenters argued that the rule should avoid blanket haircuts or capital charges on reserve assets held at foreign branches or correspondent banks and instead require issuers to maintain documented risk management frameworks addressing the risks of such arrangements. One commenter urged the OCC to specify the conditions under which Eurodollar deposits would be appropriate in a manner that minimizes interference with free competition and to apply any restrictions on foreign branches, agents, or correspondent banks equally to U.S.- and foreign-headquartered firms.

As discussed above, section 4(a)(1)(A)(ii) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(ii)) permits permitted payment stablecoin issuers to hold demand deposits at insured depository institutions. The definition of insured depository institution under section 2(15) of the GENIUS Act (12 U.S.C. 5901(15)) and the Federal Deposit Insurance Act excludes from the scope of permissible reserve assets deposits held at institutions that are not insured depository institutions under section 3(c)(2) of the Federal Deposit Insurance Act. Accordingly, deposits that are not held at insured depository institutions (regardless of whether the deposits themselves are insured) are not eligible reserve assets.

Some commenters also suggested that the OCC clarify that deposit placement networks may be used to hold reserve assets through eligible financial institutions. These commenters argued that such networks can improve diversification, operational efficiency, liquidity, and timely redemptions while also channeling deposits to community banks. One commenter stated that deposit placement networks are unlikely to increase run risk because deposits would be spread across institutions and stablecoins may be less likely to experience concentrated redemptions than some other liabilities. The OCC confirms that permitted payment stablecoin issuers may use deposit placement networks provided that the issuer does so in compliance with applicable requirements, including those in §§ 15.11 and 15.13. For example, if a network's agreements included limitations on withdrawals that rendered the issuer unable to meet the liquidity demands of customers and to timely redeem tendered payment stablecoins, it would be inappropriate for the permitted payment stablecoin issuer to place amounts of its reserve assets through that deposit placement network that rendered the permitted payment stablecoin issuer unable to comply with the final rule.

The final rule does not substantively change the description of funds held as deposits or insured shares payable on demand at an insured depository institution in § 15.11(b)(2). The final rule does, however, more closely match the language of section 4(a)(1)(A)(ii) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(ii)) by replacing references to deposits payable on demand with demand deposits (or other deposits that may be withdrawn upon request at any time). The OCC notes that existing banking law and regulation use or define similar terms, such as 12 CFR part 204 and section 2 of the BHC Act; as other laws and regulations do not use the same phrasing as the GENIUS Act, may not be within the OCC's jurisdiction, and are based on different policy purposes, applying definitions, interpretations, or market practices based on other law for purposes of this provision of the Act is not appropriate. In addition, the OCC confirms that a deposit account that allows the bank to require prior notice of withdrawal or limits the number of withdrawals within a period of time would not be a demand deposit or other deposit that may be withdrawn upon request at any time under the GENIUS Act regardless of whether the deposit was treated as a demand deposit under other law. As discussed in greater detail below, the OCC is also eliminating the proposed requirement that certain permitted payment stablecoin issuers hold a set amount of reserves as insured deposits. Permitted payment stablecoin issuers continue to be expected to manage credit and concentration risks, including those regarding insured deposits and insured depository institutions. With respect to deposit insurance, the OCC notes that the FDIC has issued a notice of proposed rulemaking addressing insurance coverage rules in 12 CFR part 330 that apply to all FDIC-insured depository institutions by clarifying that deposits held as reserves backing a payment stablecoin would be insured as to the permitted payment stablecoin issuers under the FDIC's coverage rules for corporate deposits, but would not be insured to payment stablecoin holders on a pass-through basis.[84] The final rule also neither prohibits nor mandates the use of private deposit insurance. As discussed in the next section, § 15.12 of the final rule also includes additional disclosures, including with respect to deposit insurance, which address several of the commenters' concerns.

[84] 91 FR 18534 (Apr. 10, 2026) (FDIC proposed rule for GENIUS Act requirements and standards for FDIC-supervised permitted payment stablecoin issuers and insured depository institutions).

Treasury Securities

Several commenters recommended permitting reserve assets to consist predominantly or entirely of cash and short-term United States Treasury securities. One commenter stated that at least 80 to 90 percent of existing stablecoin reserves are already held in short-term Treasuries, while another urged that reserves be held 100 percent in Treasuries or cash. Some commenters stated that the effects of reserve requirements on the United States debt markets should be studied and monitored and that the final rule should recognize risks associated with concentration in Treasury securities (*e.g.,* potential financial stability implications if stablecoin issuers become large Treasury investors). In contrast, some commenters suggested that it is not necessary at this stage to impose additional rule-based requirements specifically aimed at preventing disruptions in Treasury markets. Several commenters opposed limits or qualitative distinctions on Treasury holdings, including caps on older or off-the-run securities, arguing that such restrictions would be operationally harmful and unsupported by the risk profile of stablecoin reserve portfolios. One commenter also acknowledged liquidity concerns regarding off-the-run Treasuries but suggested addressing those concerns through existing mechanisms, such as the FICC haircut schedule, rather than through explicit portfolio limits.

In § 15.11(b)(3), the final rule does not impose any quantitative requirements with respect to how much of a permitted payment stablecoin issuer's reserve asset portfolio must comprise Treasury securities. The OCC believes that the changes to § 15.11(a) and the risk management provisions in § 15.13 will be sufficient to ensure that the composition of a permitted payment stablecoin issuer's portfolio is appropriate. Permitted payment stablecoin issuers will be expected to consider, among other things, the liquidity of a particular Treasury security (*e.g.,* if the Treasury security is off-the-run) in relation to those requirements.

TIPS, FRNs, and STRIPS

A few commenters urged the OCC not to adopt a prescriptive asset-by-asset list and instead to use principles-based eligibility criteria. These commenters suggested that the criteria potentially be supplemented by illustrative examples

for Treasury Floating Rate Notes (FRNs), Treasury Inflation-Protected Securities (TIPS), and Separate Trading of Registered Interest and Principal of Securities (STRIPS). Some commenters stated that FRNs should be included as eligible reserve assets, particularly where they have relatively short remaining maturities or otherwise demonstrate sufficient liquidity, emphasizing their limited price volatility, strong secondary market liquidity, and risk characteristics comparable to Treasury bills. Other commenters supported including TIPS, with one commenter noting that TIPS could be used to hedge payment stablecoins pegged to a fixed amount of purchasing power. Another commenter suggested that FRNs and TIPS could be permitted subject to overcollateralization requirements. In contrast, one commenter stated that TIPS and STRIPS are too volatile to qualify as permissible reserve assets.

Under § 15.11(b)(3) of the final rule, consistent with the proposal, any Treasury bill, note, or bond with a remaining maturity of 93 days or less may serve as a reserve asset. Thus, FRNs or TIPS with a remaining maturity of 93 days or less may serve as reserve assets. STRIPS are zero-coupon securities created from the individual interest or principal components of a Treasury note or bond. Because STRIPS are merely the individual component payments of Treasury notes, or bonds, and in light of the regulatory regime supporting the ability to reconstitute STRIPS,[85] they may qualify as reserve assets, provided they have a remaining maturity of 93 days or less under section 4(a)(1)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(iii)).[86]

Repurchase Agreements and Reverse Repurchase Agreements

Many commenters urged the OCC to clarify the permissible use of repurchase agreements and reverse repurchase agreements as reserve assets, including the treatment of collateral, legal enforceability, operational controls, monetization timing, and whether intraday, centrally cleared, and on-chain repurchase agreement structures are permissible. Many commenters emphasized that repurchase agreements and reverse repurchase agreements present meaningful credit, liquidity, and market risks and recommended addressing those risks through counterparty standards, supervisory expectations, liquidity stress testing, and contingency funding planning. One commenter suggested limiting repurchase agreements to roughly 10 to 15 percent of reserves, and another commenter argued that repurchase agreements should not qualify as reserve assets at all because reserve assets should be owned outright. Some commenters stated that cash and deposits, including deposits held at tri-party custodians, should be expressly recognized as eligible collateral because those assets are permissible reserve assets and are commonly used in repo markets. In contrast, one commenter opposed allowing counterparties to pledge deposits and instead argued that reserve pools should receive cash directly into their own bank accounts. A few commenters opposed prescriptive minimum haircut requirements and instead recommended requiring overcollateralization consistent with standard market terms in the United States Treasury repo market, with documentation under industry-standard agreements serving as evidence of compliance. Several commenters requested additional clarity regarding terms such as ''severe market stress'' and ''centrally cleared,'' as well as guidance on how issuers should assess bilateral repo counterparty creditworthiness and whether net liquidity measures may account for expected inflows as well as outflows. One commenter opposed limits on repo funding altogether, arguing that repo funding can be more secure than unsecured bank deposits. Another commenter recommended enhanced disclosure and attestation requirements regarding repo counterparty tier, weighted average term, and rollover frequency.

Consistent with the statute, § 15.11(b)(4) and (5) of the final rule continue to permit the use of money received under certain repurchase agreements and reverse repurchase agreements as reserve assets. The final rule does not impose any quantitative limit specifically with respect to these reserve asset types (though, as discussed below, counterparty limitations would continue to apply). The OCC recognizes that there are certain risks associated with relying excessively on repurchase agreements to facilitate redemptions (*e.g.,* the risk that a regular repo counterparty will not roll over a repo). The OCC will receive detailed information concerning the makeup of a permitted payment stablecoin issuer's reserve asset portfolio, including the extent to which a permitted payment stablecoin issuer relies on repurchase agreements through the weekly reporting required in § 15.14. This will provide the OCC with the ability to assess, among other things, whether a permitted payment stablecoin issuer is overly reliant on repo funding and unable to monetize its reserve assets in a timely fashion. In addition, the revisions to § 15.11(a) and § 15.13 should address risks associated with relying excessively on repurchase agreements or reverse repurchase agreements, particularly in times of stress. The final rule also does not provide that money received from repurchase agreements or reverse repurchase agreements may be backed by cash, consistent with the requirements of section 4(a)(1)(A)(iv) and (v) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(iv) and (v)). The final rule does not further define what constitutes ''standard market terms'' in recognition that standard market terms may evolve over time. Additionally, the final rule does not further define what constitutes central clearing, as that term is already sufficiently clear in the statute. The final rule includes one technical change to § 15.11(b)(5), adding the word ''or'' between ''Treasury notes'' and ''Treasury bonds.''

Securities Issued by an Investment Company

Several commenters suggested that the OCC limit eligible securities issued by an investment company to registered government money market funds, particularly SEC Rule 2a–7 funds that maintain a stable $1.00 net asset value, satisfy applicable liquidity requirements, and invest solely in assets otherwise permitted as reserve assets. Some commenters stated that prime and municipal money market funds, and more broadly non-government registered investment companies, should be excluded because they introduce credit, liquidity, and structural risks inconsistent with the statutory reserve framework. One commenter argued that money market funds are inherently vulnerable to runs. Several commenters also requested clarification that the phrase ''other registered government money market funds'' does not expand eligibility beyond funds registered under the Investment Company Act. Some commenters asked the OCC to publish a list of permissible funds and assets. Other commenters urged the OCC to interpret the category more broadly to

[85] *See* 31 CFR 356.31.

[86] For STRIPS, the maturity date is the payment date for each separate principal or interest component. For principal components, the maturity date is the same as the maturity date of the fully constituted (unstripped) Treasury security. For interest components, the interest payment date becomes the maturity date for the component. Treasury provides the CUSIP numbers and payment dates for the principal and interest components in auction announcements and on its website.

include other registered funds that hold qualifying assets, including Treasury-focused ETFs, ultra-short Treasury mutual funds, tokenized money market funds, and other funds they suggested were economically equivalent to direct holdings of permissible assets. Commenters noted that government money market funds are already comprehensively regulated under Rule 2a–7 and the Investment Company Act and stated that they therefore should not be subject to additional OCC diversification or concentration restrictions beyond the statutory framework. Other commenters recommended specific fund-level caps or exposure limits to address concentration risk. A few commenters sought operational clarifications, including that otherwise qualifying funds may hold small amounts of residual cash in other funds for cash management purposes or operate through fund-of-funds or master-feeder structures without losing eligibility.

The OCC is finalizing § 15.11(b)(6) as proposed, with some minor technical edits, to ensure consistency with the language in section 4(a)(1)(A)(vi) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(vi)). Under the final rule, permissible reserve assets include securities issued by an investment company registered under section 8(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–8(a)), or other registered Government money market fund, and that are invested solely in underlying assets described in § 15.11(b)(1) through (5). To qualify under § 15.11(b)(6), an investment company would need to be registered under section 8(a) of the Investment Company Act but need not be a mutual fund. Shares of an exchange traded fund registered under section 8(a) of the Investment Company Act that invested solely in the assets detailed in § 15.11(b)(1) through (5) would constitute eligible reserve assets. As discussed in greater detail below, these funds would nevertheless be subject to reserve asset diversification and concentration requirements addressed in § 15.11(c). These reserve asset and diversification requirements will ensure that a permitted payment stablecoin issuer is not overly reliant on one entity and may, for example, look to other sources to fund redemptions in the event of an operational issue with such a fund. The OCC confirms that ''other registered government money market funds'' does not expand eligibility beyond funds registered under the Investment Company Act. In addition, the OCC confirms that a fund that invested in other funds would not meet the eligibility requirements under § 15.11(b)(6) because such a fund would not invest solely in the reserve assets permitted under section 4(a)(1)(A)(i) through (v) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(i)–(v)).

The OCC is finalizing § 15.11(b)(6) as proposed with some minor technical edits to add paragraphs (b)(6)(i) and (b)(6)(ii) to more clearly provide that the securities must be issued by an investment company and invested solely in the underlying assets described in § 15.11(b)(1) through (b)(5).

Other Similarly Liquid Federal Government-Issued Assets Not Listed in the GENIUS Act and Reserves in Tokenized Form

Several commenters urged the OCC to preserve a process for approving additional ''similarly liquid'' Federal Government-issued assets beyond those expressly listed in the statute and to articulate transparent, principles-based eligibility criteria, rather than relying solely on a fixed prescriptive list. Some commenters stated that the permissible asset universe should be expanded to include longer-dated United States Treasury securities. These commenters argued that in some cases, agency securities remain deep and liquid, would improve portfolio flexibility and yield, and could reduce undue concentration at the short end of the Treasury curve. Several commenters noted that, if longer-dated assets are permitted, the OCC should address the associated interest rate and liquidity risks through tools such as haircuts, weighted-average-maturity limits, diversification requirements, overcollateralization, stress rebalancing, or redemption controls. A few commenters requested a formal, transparent, and time-limited approval process for additional assets, including public disclosure of determinations, published eligibility criteria, and the ability for any interested party to petition for approval, with some also urging coordination with state and other relevant regulators. In contrast, some commenters opposed expanding the category to include Treasuries with remaining maturities beyond 93 days, arguing that longer-dated instruments introduce excessive interest rate risk and should not qualify, or should be subject to a portfolio-level weighted average maturity cap of no more than 93 days. A few commenters urged even broader expansion to include assets such as agency obligations, broader Rule 2a–7 government money market fund exposures, debt instruments economically equivalent to Treasuries but issued by third parties, commercial paper, or even other stablecoins. Other commenters argued that any such expansion should occur only after careful safety-and-soundness review and interagency coordination.

One commenter suggested that the OCC expand the list of permissible reserve assets to include AAA-rated corporate debt. This commenter suggested that highly rated corporate obligations should be eligible alongside other reserve assets.

The final rule includes one technical change to § 15.11(b)(7), to remove the redundant ''Whether'' from the proposed § 15.11(b)(7)(iv).

One commenter recommended that the OCC clarify that for tokenized reserve assets, a covered custodian's demonstration of control should address both the on-chain custody of the token and the off-chain legal and operational arrangements ensuring the custodian can enforce the customer's rights against the underlying asset. The definition of ''tokenized form'' in § 15.2 sufficiently addresses the applicable legal requirements. As described above, a reserve asset in tokenized form must confer rights that are identical to those that would be conferred by a non-tokenized form of the asset under applicable law. In the case of a tokenized form of an asset under custody, a permitted payment stablecoin issuer should consider the operational capabilities of the custodian as well as the legal rights that the permitted payment stablecoin issuer has in the reserve asset. Some commenters argued against additional quantitative diversification limits on tokenized reserve assets. Other commenters cautioned that tokenization can introduce operational uncertainty and instability and should be addressed through collateral eligibility standards, disclosure, haircuts, or other risk controls. A few commenters also requested more specific guidance on operational and disclosure issues, including treatment of digitally native assets, explicit confirmation that short-term on-chain Treasuries are permissible, disclosure of both on-chain custody locations and underlying real-world asset custody, and standards for addressing discrepancies between on-chain reserve attestations and off-chain custodian records. One commenter encouraged publishing reserve balances on-chain and eventually supporting programmatic controls that would prevent additional token minting when adequate reserves are not present. The OCC is not including a broad-based haircut for reserve assets in tokenized form in light of the many different features, positive and negative, that a

reserve asset in tokenized form may have, depending on its design. Nevertheless, depending on the nature of the tokenized asset (in particular, any operational difficulties associated with monetizing the asset), it may be appropriate for a permitted payment stablecoin issuer to apply a haircut pursuant to its reserve asset and liquidity risk management requirements.

The OCC is finalizing § 15.11(b) with minor changes in addition to the non-substantive change to paragraph (b)(2) described above. Specifically, § 15.11(b)(7) now provides that, when the OCC approves the use of ''any other similarly liquid Federal Government-issued asset'' as a reserve asset, the OCC may impose conditions consistent with the purposes of the GENIUS Act. This addition makes clear, for example, that the OCC may impose conditions (*e.g.,* its maturity) on the use of a particular type of reserve asset to ensure that the asset is truly similarly liquid to the other types of reserve assets contemplated under the GENIUS Act. The OCC is not including corporate securities as permissible reserve assets. These assets are not Federal-Government issued, and thus section 4(a)(1)(A) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)) does not provide an avenue to permit such assets. The OCC is also making technical edits to § 15.11(b)(8) to delete ''or paragraph'' as redundant, such that it now reads ''Any reserve described in paragraphs (b)(1) through (3), (b)(6), or (b)(7) of this section in tokenized form, provided that such reserves comply with all applicable laws and regulations.''

d. Reserve Asset Diversification and Concentration (§ 15.11(c))

i. Description of the Proposed Rule

Section 4(a)(4)(A)(iii) of the Act (12 U.S.C. 5903(a)(4)(A)(iii)) requires the OCC to issue regulations implementing reserve asset diversification, including deposit concentration at banking institutions and interest rate risk management standards that (1) are tailored to the business model and risk profile of permitted payment stablecoin issuers and (2) do not exceed standards that are sufficient to ensure the ongoing operations of permitted payment stablecoin issuers. The proposed rule included two alternative options to implement these diversification and concentration limits in proposed § 15.11(c). ''Option A'' included a principles-based general requirement with an optional safe harbor containing quantitative requirements. ''Option B'' would have made the quantitative requirements mandatory for all issuers.

Option A's principles-based general requirement would have required a permitted payment stablecoin issuer to maintain reserve assets that are sufficiently diverse to manage potential credit, liquidity, interest rate, and price risks. In addition, the principles-based requirement in Option A in proposed § 15.11(c) would have required a permitted payment stablecoin issuer to measure and manage the risk that concentrating reserve assets at one eligible financial institution or a small number of eligible financial institutions may impair the ability of a permitted payment stablecoin issuer to satisfy redemption demands if individual eligible financial institutions are unable to return, or if there is a delay in returning, reserve assets placed by a permitted payment stablecoin issuer.[87] The proposed rule's diversification and concentration requirements would have applied to custodial relationships, including sub-custodial arrangements. Permitted payment stablecoin issuers would have been expected to ''look through'' any sub-custodial relationships to ensure that reserve assets are custodied at a sufficiently diverse number of eligible financial institutions needed to comply with the proposed rule's requirements.

Option A contained a safe harbor under which a permitted payment stablecoin issuer would be deemed to satisfy proposed § 15.11(c) if the permitted payment stablecoin issuer maintains on each business day: (i) at least 10 percent of its required reserve assets as deposits or insured shares payable upon demand or money standing to the credit of an account with a Federal Reserve Bank; (ii) at least 30 percent of its reserve assets as deposits or insured shares payable upon demand, money standing to the credit of an account with a Federal Reserve Bank, or amounts receivable and due unconditionally within five business days on pending sales of reserve assets, maturing reserve assets, or other maturing transactions (*e.g.,* reverse repurchase agreements); (iii) no more than 40 percent of its reserve assets at any one eligible financial institution, whether as deposits or insured shares at any one insured depository institution, securities custodied at any one eligible financial institution, bilateral reverse repurchase agreements with any counterparty, or through other exposures; (iv) no more than 50 percent of the amount provided in proposed § 15.11(c)(2)(i) at any one eligible financial institution; and (v) reserve assets with a weighted average maturity of no more than 20 days.

The safe harbor would also have required that a permitted payment stablecoin issuer maintain at least 30 percent of its reserve assets as deposits or insured shares payable upon demand, money standing to the credit of an account with a Federal Reserve Bank, or amounts receivable and due unconditionally within five business days on pending sales of reserve assets, maturing reserve assets, or other maturing transactions.

The safe harbor would have also required that a permitted payment stablecoin issuer maintain no more than 40 percent of its reserve assets at any one eligible financial institution, whether as deposits or insured shares at any one insured depository institution, securities custodied at any one eligible financial institution, bilateral reverse repurchase agreements with any counterparty, or through other exposures.

The safe harbor would have also required that a permitted payment stablecoin issuer maintain no more than 50 percent of the required daily liquidity specified under proposed § 15.11(c)(2)(i) at any one eligible financial institution. This requirement was intended to guard against the risk that problems at one eligible financial institution prevent a permitted payment stablecoin issuer from accessing its reserve assets. If a permitted payment stablecoin issuer is dependent on one eligible financial institution to maintain all or a large portion of its reserve assets, the permitted payment stablecoin issuer may be excessively exposed to, for example, operational concerns at that eligible financial institution or even the risk of the institution's failure.

To qualify for the safe harbor, proposed § 15.11(c)(2)(v) would have required that a permitted payment stablecoin issuer's reserve assets have a weighted average maturity of no more than 20 days.

Option B would have imposed the quantitative standards as mandatory requirements, rather than an optional safe harbor.

ii. Description of Comments and the Final Rule

Generally, more commenters expressed support for the ''Option A'' approach to reserve asset diversification over ''Option B.'' Several commenters supporting Option A stated that it appropriately balances rigor, flexibility,

[87] Eligible financial institutions that hold reserve assets in custody or safekeeping must be subject to supervision and comply with the requirements set forth in section 10 of the GENIUS Act (12 U.S.C. 5909). Institutions subject to OCC supervision would need to comply with the requirements set forth in proposed subpart C of part 15.

and clarity for permitted payment stablecoin issuers and enables appropriate tailoring. Some other commenters stated that Option A provides for appropriate tailoring to different business models and risk profiles. A few commenters stated that Option A would be consistent with established custody fundamentals or existing state-level frameworks. A few commenters favored Option A because it offers predictability for new entrants and flexibility for mature issuers to demonstrate diversification through risk management practices tailored to actual operations. One commenter stated that Option B would depart from Congressional intent because the proposed reserve requirements would be excessive and not properly tailored.

A few commenters supported Option A but suggested changes. One commenter stated that weighted average maturity provisions should be changed so as not to discourage holding longer-dated Treasuries (subject to the statutory 93-day cap). One commenter suggested the OCC make clear that Option A may require a buffer of extra reserve assets. One commenter suggested that small permitted payment stablecoin issuers should be presumed to comply with Option A.

Some commenters specifically addressed the proposed safe harbor provision. A few of these commenters stated generally that the safe harbor would provide flexibility for issuers. Several commenters stated that the safe harbor is improperly calibrated and suggested changes to the quantitative limits that they argued would reduce risk or better support liquidity needs. A few other commenters argued that quantitative thresholds were unnecessary, impractical, or inadequately supported by data. One of these commenters suggested that, if retained, issuers should be able to satisfy the safe harbor by meeting board-approved diversification requirements. Several commenters stated that the safe harbor should not be treated as a minimum requirement or baseline expectation. One commenter suggested that compliance with the safe harbor should be measured as of the close of each business day, with opportunity for a cure period of one business day.

Several commenters favored ''Option B'' instead. Some of these commenters stated that quantitative thresholds would create more certainty and consistency for both issuers and third parties compared to a principles-based approach without specific quantitative thresholds. A few of these commenters also recommended changes to the specific requirements under Option B. One commenter stated that mandatory limits including single-custodian caps could reduce risk but suggested the OCC should clarify that reserve composition requirements do not eliminate liquidity risk in the event of a third-party custodian's insolvency. One commenter supported Option B but suggested the OCC evaluate the impact of concentration limits and 20-day weighted average maturity to ensure they do not lead to unintended consequences.

One commenter stated that neither Option A nor Option B fully addresses concerns related to deposit flight, impacts to credit creation, and potential systemic risk in light of increasing connections between stablecoin issuers and the banking system, citing the example of Silicon Valley Bank.

A few commenters supported the establishment of minimum requirements for immediately available liquidity. One commenter noted that these requirements were preferable to issuers relying on sales or repurchase agreements to generate liquidity. A few commenters supported having a weekly minimum liquidity requirement. One commenter supported the 10 percent and 30 percent thresholds for daily and weekly liquidity requirements, respectively. One commenter recommended that the 10 percent daily liquidity requirement should be adjustable based on each issuer's demonstrated redemption profile, with 5 percent being an appropriate baseline for experienced issuers. The commenter further recommended that an issuer should be permitted to propose a threshold below the 5 percent minimum if the issuer can provide support for lower daily liquidity needs. One commenter suggested that the daily requirement should be calibrated to reflect actual historical redemption patterns instead of worst-case scenarios. One commenter stated that the OCC may need to revisit the 30 percent threshold for weekly liquidity at a later date to determine whether that threshold is still appropriate. A few commenters recommended raising the daily minimum liquid asset requirement, to at least 20 percent or 25 percent. One commenter recommended raising the weekly minimum liquidity requirement to 50 percent.

A commenter recommended that the timeframe used for the weekly liquidity framework should be calibrated to redemption expectations across the agencies. One commenter stated that the proposal would require issuers to honor redemption requests within two business days from the date of the redemption request. Accordingly, the commenter stated that liquidity and operational constraints would not prevent almost all permissible reserve assets from being monetized within the redemption window. Another commenter recommended that the rule clarify how issuers should comply with the daily and weekly liquidity requirements without maintaining a significantly high cash balance that does not promote the rule's liquidity objectives.

One commenter opposed the weekly liquidity requirement, stating that the requirement would not have a meaningful effect. This commenter stated that any reserve asset can be monetized within five business days. Several commenters opposed the daily liquidity requirement. Some commenters stated that the daily liquidity requirement would create unnecessary credit risk. One commenter stated that the minimum daily requirement is unnecessary because the scope of eligible reserve assets is highly liquid, as demonstrated by the requirements of SEC Rule 2a–7 (under which Treasury securities may count towards daily and weekly liquidity requirements). One commenter asserted that the 10 percent daily liquidity requirement lacks empirical or theoretical support and is inconsistent with international prudential standards, like the Basel III liquidity standards.

A few commenters recommended that the final rule adopt a principles-based approach in which issuers would be required to demonstrate the capability to monetize at least 10 percent and 30 percent of their reserves on an overnight and weekly basis, respectively. One of these commenters asserted that an issuer should be permitted to demonstrate its monetization capability through any combination of eligible reserve assets. Other commenters stated that a principles-based approach would permit issuers to hold reserves like tokenized money market funds, which have less credit risk than bank deposits and settle no later than the next day.

Several commenters commented on which assets should be eligible to count towards the daily and weekly liquidity requirements. One commenter recommended that eligible government money market funds offering same-day redemption should count towards the daily liquidity reserves requirement. A few commenters recommended that assets eligible to count towards the daily liquidity requirement should include reverse repurchase agreements, conducted on either an open or overnight basis. One commenter recommended that same- and next-day high-quality instruments should be

considered eligible reserve assets for purposes of the daily liquidity requirement. Another commenter suggested that all GENIUS Act-compliant reserve assets should count towards the daily liquidity requirement.

One commenter recommended that reserves for the weekly liquidity requirement should include any eligible reserve asset convertible to cash within five business days, including GENIUS Act-eligible money market funds. Such a liquidity framework, the commenter reasoned, would be focused on functional liquidity and, in turn, better reflect how liquidity is generated in funding markets. One commenter recommended that government money market funds should count towards the weekly liquidity requirement, as redemption and settlement typically occur within one business day. A few commenters recommended that qualifying registered funds, like exchange-traded funds, should count towards the weekly liquidity requirement, considering their short settlement period and their daily price and portfolio transparency.

One commenter stated that deposits are more vulnerable than custodied securities. One commenter noted that tokenized funds under SEC Rule 2a–7 are being developed primarily as collateral instruments rather than as cash payment instruments. One commenter suggested that any offset for expected inflows should be permitted only on a conservative basis. One commenter recommended that the OCC remove or replace the requirement in proposed § 15.11(c)(2)(ii) relating to Board review of the percentage of reserve assets required to be held that must be receivable within five days.

One commenter argued that concentration limits should be limited to uninsured deposit holdings because further concentration restrictions would add little stability and could increase operational and run risk or reduce reserve yields. This commenter also stated that it is not possible to apply concentration limits to United States Treasury repurchase agreements because there is only one remaining tri-party repurchase agreement clearing bank for United States Treasury repurchase agreements and it handles virtually all of the cleared tri-party repurchase agreement market.

Several commenters specifically addressed the proposed 40 percent concentration limit under the proposed safe harbor. A few commenters stated that the 40 percent limit was well calibrated. One commenter suggested the limit should be raised to 60 percent to reflect the limited number of custodians currently willing to serve stablecoin issuers. Another commenter suggested reducing the limit to 15 percent and explicitly prohibiting the use of affiliated bank deposits as qualified reserves unless ring-fenced under separate capitalization and governance structures. One commenter stated that the 40 percent threshold was too limiting and that permitted payment stablecoin issuers should have flexibility to use one or more custodians. One commenter noted the limit could be breached due to changes in asset prices rather than redemptions or transfers. Another commenter stated that concentration restrictions should be based on gross exposures, aggregated across affiliates, custody, deposits, and bilateral transactions. This commenter further suggested that, if the OCC adopts deposit concentration caps, they should be tiered by bank credit quality, distinguish between insured and uninsured exposure, and also distinguish between deposit exposure and collateralized repo exposure. Some commenters categorically objected to the 40 percent threshold. One commenter explained that the concentration limit would still allow large exposures in the form of uninsured deposits, which highlights problems associated with a single numerical threshold without distinguishing between private credit risk and infrastructure or custodian concentration. A few commenters suggested that concentration caps should be tiered based on the issuer's size, and one of these commenters also recommended higher limits for assets collateralized by United States Treasuries or held at systemically important financial institutions.

Several commenters argued that custodians or assets held in custody should be excluded from concentration limits. Some of these commenters stated that applying concentration and diversification limits to custodial arrangements would require permitted payment stablecoin issuers to manage a larger number of transactions across custodians, which increases the risk of operational and process errors without meaningfully reducing risks. One commenter stated that few institutions currently provide custodial services to issuers. A few commenters stated that custodians are highly regulated and pose little credit risk with respect to non-cash assets held off-balance sheet that are segregated from the custodian's proprietary assets. A few of these commenters stated that custodian-level concentration limits may introduce risks for permitted payment stablecoin issuers by fragmenting reserve assets across numerous custodians and banking relationships. One commenter stated that custodian diversification requirements would be novel, as SEC-registered money market funds and similar instruments are not subject to similar requirements, and could drive issuers away from the institutions best able to provide secure custody services. A few commenters suggested that concentration caps would be ineffective at preventing failures and could contribute to instability by spreading and potentially commingling reserve assets among the same set of large asset managers.

One commenter suggested that self-custodied assets should be explicitly excluded from the 40 percent limit. Another commenter suggested excluding deposits held at an OCC-regulated affiliate if the affiliate holds an equivalent amount of cash at its Federal Reserve master account and remains well-capitalized. A few commenters stated that the 40 percent cap should not apply to Federal Reserve Bank balances, and one of these commenters also suggested eliminating the cap for global systemically important banks (G–SIB).

Several commenters raised other criticisms of concentration limits. One commenter suggested the OCC exclude ETFs from the 40 percent requirement, or at a minimum explain the benefit of imposing the limit on ETFs, since shares are generally held through a third-party custodian subject to a legal and regulatory framework that addresses asset segregation and protects the investor in the event of the custodian's insolvency. This commenter also stated the 40 percent limit should not apply to self-custodied money market funds or on a look-through basis to a government money market fund's custodian or other service providers. One commenter stated that the 40 percent limit discourages the use of local banks for remote communities and proposed a higher limit for reserves held at insured depository institutions that are located in more remote areas and meet certain other criteria. One commenter stated that the 40 percent limit should apply specifically to uninsured deposits. One commenter suggested the OCC clarify the scope of ''other exposures'' and in particular should address whether and how intraday credit facilities, uncommitted liquidity lines, and custodial sub-arrangements extended by or through an eligible financial institution would count toward the cap.

A few commenters criticized the proposed look-through requirement. One of these commenters stated that the

approach would increase compliance costs and likely impose substantial monitoring and reporting burdens, which could also reduce operational efficiency and increase the risk of settlement delays or frictions. Another commenter stated that the requirement could create significant operational challenges since reserve assets may be held through omnibus accounts, sub-custody chains, or collateral-agent structures that do not map cleanly onto a single-institution concentration calculation. One commenter recommended removing the phrase ''through other exposures'' so that issuers would not need to ''look through'' sub-custodians to satisfy diversification requirements, as issuers would need to obtain and continuously monitor information about their custodians' internal sub-custodial arrangements and may be at risk of non-compliance due to subsequent events beyond their control. One commenter suggested the look-through requirement is unnecessary with respect to Treasury securities, repurchase agreements, and securities issued by a GENIUS Act-eligible investment fund, since these types of reserve assets ultimately reside with highly regulated central counterparties or central securities depositories.

A few commenters recommended that the OCC remove the requirement limiting the amount of daily liquidity an issuer may hold at one financial institution. They reasoned that the requirement is impractical and the risks associated with cash reserves held at regulated institutions are already effectively addressed within the existing prudential framework. A few commenters noted that ordinary transaction flows could cause an issuer to routinely breach a 50 percent limit on daily liquidity at a single institution, especially when an issuer places liquidity reserves in only two financial institutions. Commenters recommended the OCC address this issue by raising the limit to 60 percent or building flexibility into the limit on liquidity reserves held at a single institution.

A few commenters objected to the limits on deposit concentration, in whole or in part. One commenter suggested that there should be no limit on deposits at a single institution, and if such a deposit limit is established, the limit should be in the 20 to 25 percent range. Another commenter recommended that limits on deposits should not apply to insured deposits, and that, for uninsured deposits, the OCC should adopt a tiered limit for uninsured deposits that reflects historical loss rates. A few commenters advocated for the establishment of a lower deposit concentration limit, including more granular limitations. One commenter suggested that an issuer should be permitted to deposit no more than 5 percent of eligible reserve assets at depository institutions and have no more than 2 percent exposure to a single institution, with additional deposit balances permissible for purposes of operational liquidity.

Several commenters requested or suggested clarifications in the final rule regarding how to calculate the weighted average maturity. A few commenters requested confirmation that the weighted average maturity calculation would be performed on a portfolio basis, allowing issuers to hold a mix of maturities so long as the overall weighted average does not exceed the 20-day limit. Another commenter suggested the 20-day requirement be paired with amortized cost valuation. A commenter recommended that issuers whose stablecoins are predominantly used as settlement infrastructure for duration-bearing tokenized instruments be permitted to maintain a higher weighted average maturity, subject to supervisory approval. One commenter recommended that the weighted average maturity be extended in response to concentration in Treasury markets. Another commenter suggested the OCC have a two-year pilot program and modify the weighted average maturity requirements based on data collected during that timeframe. A few commenters opposed the use of SEC Rule 2a–7's methodology to calculate the weighted average maturity. One of these commenters explained that the key consideration for measuring liquidity is how quickly an issuer can convert a non-cash asset to cash. The commenter stated that use of the methodology in SEC Rule 2a–7 would effectively assign a 20- or 40-day maturity to funds with shares that can be redeemed at par in much less time. Because of the speed with which reserves can be redeemed, the commenter recommended the OCC assign a weighted average maturity of zero for money market funds.

Another commenter stated that payment stablecoins represent redemption-backed liabilities, whereas money market funds are investment products that seek to maintain stability of net asset value. Accordingly, the commenter stated that the calculation methodology under SEC Rule 2a–7, which includes ''maturity-shortening provisions'' for securities subject to a demand feature or interest rate reset, is not the appropriate measurement for stablecoin reserves. The commenter suggested that the final rule calculate maturity as the period remaining until the date on which, in accordance with the terms of the security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made. A few commenters supported the 20-day weighted average maturity requirement. Several other commenters opposed the 20-day weighted average maturity on various grounds. Several of these commenters were concerned that the weighted average maturity requirement would limit issuers' ownership of reserve assets with longer maturities, including Treasuries, which would otherwise be permissible under the GENIUS Act. Commenters also asserted that the 20-day weighted average maturity requirement would constrain efficient reserve management, increase operational risk by requiring investment in short-term assets that mature or roll over rapidly, and would impose compliance burdens on issuers, who would need to ensure that reserve assets do not breach the 20-day weighted average maturity requirement. A few commenters stated that the proposed 20-day weighted average maturity requirement would provide little, if any, benefit to an issuer's liquidity and redemption capabilities.

Several commenters recommended that the OCC increase the length of the weighted average maturity. A few commenters recommended increasing the length to 40 days, to allow smaller issuers more flexibility and to allow more issuers to use three-month Treasuries. A few commenters recommended increasing the length to 60 days to align with money market funds and SEC Rule 2a–7, and to afford issuers greater flexibility to use Treasuries. A few commenters recommended increasing the length to 93 days, to align with permitted Treasury holdings.

Several commenters proffered their views on how the reserve requirements of the proposed rule might affect community banks. One commenter, for example, noted that payment stablecoin reserves may not be as stable as demand deposits and thus may subject community banks to a greater run risk, while another noted that community banks for that reason may not be willing to provide services to permitted payment stablecoin issuers. Another commenter argued that reserve diffusion requirements could increase the financial stability risk of a run on one permitted payment stablecoin issuer throughout a large number of community banks. However, other

commenters worried that payment stablecoins will shift stable funding sources away from community banks, reducing their competitiveness, and believed that reserve asset diversification should be premised in part on the funding needs of community banks. A few commenters argued that diversification should be risk-based and should not increase the risks to permitted payment stablecoin issuers or payment stablecoin holders to achieve other aims.

The final rule neither mandates that permitted payment stablecoin issuers use community banks nor requires community banks to take on permitted payment stablecoin issuers as customers. The OCC believes that this approach appropriately allows community banks to exercise their business judgment with respect to payment stablecoin activities. The OCC acknowledges that deposits that serve as reserves backing a payment stablecoin could, at this time, be less stable sources of funding than other types of deposits. It is possible that these deposits may become more stable over time (*i.e.,* as the GENIUS Act framework continues to be implemented). At this point, in light of the comments received, the OCC believes that diversification requirements that neither mandate nor discourage placement at community banks are appropriate.

The final rule makes a number of changes to § 15.11(c) in response to the comments received. Specifically, the OCC is adopting a hybrid approach using the principles-based approach from Option A and a modified and limited set of the quantitative requirements from Option B. The proposed rule included robust liquidity requirements but did not include stress testing or buffer requirements. The proposal noted that an alternative possibility would be to remove some of the proposed liquidity requirements, though this may warrant increased capital or buffer requirements. The final rule substantially lessens the quantitative liquidity, diversification, and concentration requirements that apply to permitted payment stablecoin issuers and instead imposes stress testing and buffer requirements in §§ 15.11 and 15.13. The OCC recognizes that, as a permitted payment stablecoin issuer sells more liquid assets to meet redemption requests in times of stress, it may temporarily fail to satisfy all of the terms in § 15.11(c) of the final rule. For example, a permitted payment stablecoin issuer might draw first on its deposits to timely redeem payment stablecoins, and, as a result, may temporarily fall below the 5 percent minimum while it reconfigures its reserve asset portfolio. Depending on the facts and circumstances, negative supervisory consequences for a failure to maintain that 5 percent minimum may be inappropriate, and the OCC will consider any supervisory actions for such a temporary violation in light of the totality of the circumstances causing the violation. A permitted payment stablecoin issuer should nevertheless appropriately diversify its reserve assets as soon as practicable following such an event. However, at no point can a permitted payment stablecoin issuer's reserve asset value be less than the outstanding issuance value of the permitted payment stablecoin issuer.

Consistent with the proposed rule, § 15.11(c)(1) provides that a permitted payment stablecoin issuer must maintain reserve assets that are sufficiently diverse to manage potential credit, liquidity, interest rate, and price risks. The final rule clarifies in § 15.11(c)(1)(iii) that, depending on relevant factors, including a permitted payment stablecoin issuer's risk profile, business model, and portfolio of reserve assets, a permitted payment stablecoin issuer may need to maintain an amount of reserve assets that exceeds the requirements of § 15.11(c)(2) and the reserve asset value of which exceeds outstanding issuance value. A permitted payment stablecoin issuer must measure and manage the risk that concentrating reserve assets at one eligible financial institution or a small number of eligible financial institutions may impair the ability of a permitted payment stablecoin issuer to satisfy redemption demands if individual eligible financial institutions are unable to return, or if there is a delay in returning, reserve assets placed by a permitted payment stablecoin issuer.

The final rule clarifies that, depending on relevant factors, including a permitted payment stablecoin issuer's risk profile, business model, and stock of reserve assets, a permitted payment stablecoin issuer may need to maintain reserve assets in excess of the daily liquidity amounts required under paragraph (c)(2) (discussed below). The OCC believes that this baseline principles-based approach, supplemented with the quantitative requirements described below, provides permitted payment stablecoin issuers sufficient flexibility while also providing a backstop against key risks that could result from undue concentration in assets that may be difficult to monetize within a day or exposures to a single counterparty. Permitted payment stablecoin issuers with less complex business models and lower risk profiles may be able to maintain a less diverse stock of reserve assets than permitted payment stablecoin issuers with more complex business models or higher risk profiles. However, section 4(a)(4)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(4)(A)(iii)) mandates some reserve asset diversification for all permitted payment stablecoin issuers, both in types of reserve assets maintained and in the number of eligible financial institutions holding a permitted payment stablecoin issuer's reserve assets. The OCC expects that all permitted payment stablecoin issuers will need to maintain multiple reserve asset types, if only to serve as a backup to what is otherwise a permitted payment stablecoin issuer's primary reserve asset. Some permitted payment stablecoin issuers may need to maintain more robustly diverse stocks of reserve assets to satisfy § 15.11(c), depending on their business model, risk profile, and other relevant factors. For example, a large permitted payment stablecoin issuer with complex operations may need to maintain deposits with multiple eligible financial institutions, as well as a stock of Treasury bills, potentially custodied with more than one eligible financial institution in order to ensure they are capable of being monetized during periods of financial stress. Factors such as the number of parties that redeem directly with the permitted payment stablecoin issuer, the volume of redemptions (and volatility with respect to such volume), and the number and nature of the blockchains on which a payment stablecoin is traded could all increase the complexity of the permitted payment stablecoin issuer's operations and weigh in favor of maintaining multiple different pools of reserve assets.

Section 15.11(c)(2) of the final rule provides a modified version of the daily liquidity and counterparty concentration requirement from the proposed rule. Section 15.11(c)(2)(i) requires a permitted payment stablecoin issuer to maintain at least 5 percent of its reserve assets as demand deposits (or other deposits that may be withdrawn upon request at any time), funds in share accounts that are payable on demand, or money standing to the credit of an account with a Federal Reserve Bank.[88] This minimum daily liquidity requirement is intended to ensure that a payment stablecoin issuer has readily

[88] The final rule refers to ''funds in share accounts that are payable on demand,'' rather than ''insured shares,'' to clarify that such funds must be available on demand to meet the 5 percent minimum requirement in § 15.11(c)(2).

available funds necessary to meet redemption requests. While all of the proposed reserve assets should be liquid and easily monetizable, the requirement to have some minimum level of immediately liquid funds provides additional protection against the risk that a permitted payment stablecoin issuer would be unable to meet redemption requests in a timely manner, which is critical to maintain confidence in the permitted payment stablecoin issuer and the stablecoin industry as a whole. Including a baseline requirement to maintain a minimum percentage of liquidity that is immediately available (without the need to sell any assets, even highly liquid assets like Treasury securities) will help ensure a permitted payment stablecoin issuer's ability to meet redemption requests. In light of other changes to §§ 15.11(a) and 15.13 (*e.g.,* stress testing requirements), the final rule lowers this daily liquidity requirement from 10 percent to 5 percent of reserve assets. The requirements of §§ 15.11(a) and 15.13 are designed to ensure that permitted payment stablecoin issuers are able to timely redeem payment stablecoins, including in times of stress. Since these requirements will necessarily entail measures the permitted payment stablecoin issuer must take to maintain capacity to meet short-term redemption requests, it is appropriate to lower the quantitative requirement for daily liquidity. For example, when a permitted payment stablecoin issuer has capabilities to monetize reserve assets quickly because a large portion of their reserve assets is in the form of Treasury securities, whether held directly or by a custodian, that may obviate the need to hold a higher amount of daily liquidity.

The final rule does not include the requirement from proposed § 15.11(c)(4) requiring no more than 50 percent of daily liquidity to be held at any one eligible financial institution in light of the fact that the total requirement has been reduced to 5 percent (the total amount of required daily liquidity that could be held at a single eligible financial institution under the proposed rule). The OCC notes that, under § 15.12, a permitted payment stablecoin issuer must notify the OCC when it receives redemption requests in excess of 10 percent of its outstanding issuance value over a single 24-hour period. As discussed elsewhere, permitted payment stablecoin issuers that hold only 5 percent of their reserve assets as demand deposits or money standing to the credit of a Federal Reserve Bank should take steps to ensure that they can timely redeem tendered payment stablecoins under stressed conditions.

Section 15.11(c)(2)(ii)(A) of the final rule requires a permitted payment stablecoin issuer to limit its exposure to any one counterparty to no more than 40 percent of its reserve assets. Section 15.11(c)(2)(ii)(B) lists various exposures that are not subject to this limitation. Under the final rule, the following exposures are excluded: (1) exposures to the United States Government, (2) exposures to an appropriate custodian (as described in § 15.11(d)), resulting from reserve assets being held in the custody of the custodian, and (3) exposures resulting from centrally cleared repurchase agreements and centrally cleared reverse repurchase agreements. For clarity, reserve assets held directly by a permitted payment stablecoin issuer also are not subject to the 40 percent limit in § 15.11(c)(2)(ii)(A) because the permitted payment stablecoin issuer cannot be its own counterparty. The requirement in § 15.11(c)(2)(ii) is intended to prevent an issuer from being overly exposed to any one eligible financial institution or counterparty, including through a deposit relationship, bilateral repurchase agreement, bilateral reverse repurchase agreement, or investment company. While this requirement would not eliminate the chance of either temporarily or permanently losing reserve assets because of distress at an eligible financial institution holding reserve assets, it would ensure that permitted payment stablecoin issuers have other reserve assets available to satisfy redemption requests. The final rule modifies the counterparty limit by explicitly excluding exposures to the United States Government. As discussed above, exposures to Federal Reserve Banks would remain subject to this limit. The final rule excludes exposures resulting from centrally cleared repurchase agreements and reverse repurchase agreements due to the low credit risk associated with such transactions.

The final rule also does not apply the 40 percent limit to custodians that meet certain requirements (as discussed in greater detail below). The OCC agrees with commenters that imposing a limit on custodians that comply with the requirements of the GENIUS Act may introduce unnecessary operational risks without a corresponding benefit. At the same time, it is important that there are mechanisms in the final rule to help ensure that custodians of reserve assets comply with the terms of the GENIUS Act if they are to be exempt from the 40 percent limit. Accordingly, as discussed in the next section, the final rule imposes certain additional requirements on permitted payment stablecoin issuers with respect to custodians designed to ensure that the custodians comply with the requirements of the GENIUS Act.

Paragraph (c) of the final rule's § 15.11 does not include a weighted average maturity requirement. The OCC believes that changes to §§ 15.11(a) and 15.13 will be sufficient to ensure that the reserve asset portfolio of a permitted payment stablecoin issuer is sufficiently liquid without imposing a separate weighted average maturity requirement.

e. Custody of Reserve Assets (§ 15.11(d))

Self-Custody and Use of Affiliates

Several commenters suggested that the OCC place significant limits on, or prohibit, an issuer holding its reserve assets itself (self-custody). These commenters argued that self-custody and captive affiliate structures can undermine the independence of the custody function and create conflicts of interest inconsistent with safety and soundness. Some commenters stated that the proposed rule does not provide sufficient clarity on how self-custody would work in practice, including: (i) whether a permitted payment stablecoin issuer holding reserves directly would qualify as the covered customer or an eligible financial institution, (ii) how reserve assets would be segregated from proprietary assets, and (iii) whether the custody function would need to be separated from issuance and reserve management activities. A few commenters noted that, if self-custody is permitted, permitted payment stablecoin issuers should be required to maintain clear segregation, bankruptcy-remote protections, and operational separation. Some commenters argued that additional capital requirements should apply because the permitted payment stablecoin issuer would be assuming risks otherwise borne by an external custodian. Other commenters opposed intragroup reserve arrangements and urged the OCC to apply concentration limits across affiliated entities on a consolidated basis rather than institution by institution. In contrast, a couple of commenters stated that the OCC should not mandate fixed minimum allocations of reserve assets between affiliated and unaffiliated custodians and instead should focus on operational resilience, concentration risk, and effective segregation while allowing issuers flexibility in structuring custody arrangements.

Many commenters addressed how reserve assets should be managed when

a permitted payment stablecoin issuer is affiliated with, or is a subsidiary of, an insured depository institution. Some commenters stated that affiliated custody arrangements should be subject to consistent risk management standards and that reserve assets, liquidity-management functions, and control frameworks should be clearly maintained at the subsidiary level, with dedicated personnel, independent governance, and clear entity-level accountability to reduce the risk of internal commingling, competing liquidity demands, or unclear authority during stress. In contrast, one commenter stated that the OCC should not impose permitted payment stablecoin issuer-specific governance or staffing mandates on bank-subsidiary issuers and should allow them to use centralized group treasury and risk functions so long as applicable statutory standards are met. Another commenter opposed any exception from concentration caps that would allow an insured depository institution subsidiary to place all reserves at its parent or an affiliate. These commenters argued that statutory flexibility for omnibus commingling increases, rather than reduces, the need to avoid single-bank dependency and ensure strong segregation, control, and auditability.

Several commenters stated that the OCC should add additional requirements in instances in which a permitted payment stablecoin issuer custodies reserve assets or deposits cash reserve assets at an affiliate. These commenters stated that affiliate custody of reserve assets may give rise to significant risks as there is no independent custodian to provide an added layer of protection to holders of the relevant payment stablecoin. Commenters suggested, for example, either limiting the amount of reserves that may be custodied or deposited at an affiliate, imposing enhanced capital buffers, or including affiliate concentration risk as a factor that the permitted payment stablecoin issuer's independent accountant must consider.

The final rule, consistent with the proposal and the text of the GENIUS Act, does not prohibit self-custody of reserve assets or the use of an affiliate to hold reserve assets in custody. As discussed below, direct reserve asset holdings will not be subject to a counterparty limit but non-custodial exposures to affiliates will be. The OCC notes that, in the case of subsidiaries of national banks or Federal savings associations, the OCC will have clear visibility into the business of the parent and the subsidiary, through the supervisory process. The OCC agrees with commenters that reserve assets should be operationally separate from the other assets of a permitted payment stablecoin issuer. The OCC notes that § 15.11(a)(1)(ii) requires a permitted payment stablecoin issuer to maintain reserve assets that are identifiable and that are segregated and not commingled with other assets owned or held by the permitted payment stablecoin issuer. In addition, as discussed elsewhere, the final rule has been designed to permit the use of separate issuer SPVs, such that the reserve assets of each issuer would be segregated from one another. Finally, with respect to affiliate transactions, the OCC notes that insider and affiliate transactions must comply with the requirements of § 15.13 (described in greater detail below).

Fiduciary Responsibilities

Commenters expressed differing opinions on whether fiduciary treatment should be avoided to reduce regulatory uncertainty or required to strengthen segregation and insolvency protections. A few commenters suggested that the OCC clarify whether directed custody of reserve assets constitutes a fiduciary activity under 12 CFR part 9. Some commenters stated that directed, non-discretionary custody should not be treated as fiduciary by default unless the custodian independently performs a fiduciary function identified in part 9. In contrast, one commenter stated that reserve assets should be required to be held in a fiduciary capacity and that all institutions with custody of stablecoin reserves should hold those assets in a legally segregated manner for the exclusive benefit of stablecoin holders. That commenter also noted that fiduciary custody at a national trust bank provides stronger insolvency protections because the assets are not part of the custodian's estate, unlike ordinary deposits at a depository bank, which become general liabilities of the bank. The OCC declines to make a blanket statement that directed custody of reserve assets is a fiduciary activity. Whether a custodian is subject to 12 CFR part 9 or 12 CFR part 150 will depend, among other factors, on the charter type of the custodian and applicable law, including the agreement that the custodian has with its customer.

Some commenters stated that responsibility for determining whether assets qualify as permissible reserve assets, whether reserves are sufficient on a portfolio-wide basis, and how reserves should be classified or reported should remain with the issuer rather than the custodian. Other commenters noted that custodians often lack visibility into an issuer's full reserve portfolio, particularly where multiple custodians or intermediaries are used, and therefore should not be required to independently verify reserve composition, adequacy, sufficiency, or compliance with diversification and concentration requirements. As discussed in greater detail below, the OCC confirms that the permitted payment stablecoin issuer remains responsible for ensuring compliance with all requirements in the GENIUS Act and implementing regulations related to reserve assets and other requirements pertaining to its issuance of payment stablecoins.[89] Covered custodians under subpart C of the final rule are responsible for compliance with requirements contained within the GENIUS Act and subpart C related to appropriate custody of reserve assets and other covered assets.

Obligations of Third-Party Custodians To Ensure Compliance

Commenters addressed oversight of custodians, service providers, and counterparties, with some stating that permitted payment stablecoin issuers should conduct thorough initial due diligence and ongoing monitoring of custodians' legal status, financial condition, operational resilience, cybersecurity, and compliance programs, consistent with third-party risk management principles. In contrast, one commenter suggested that permitted payment stablecoin issuers should not be required to monitor the financial condition of all depository institutions holding reserve assets because those institutions are already subject to robust prudential regulation. Another commenter stated that a permitted payment stablecoin issuer should continuously monitor the condition of its counterparties and treat concentration risk as risk-sensitive.

One commenter suggested that the OCC clarify that third-party custodians are not responsible for ensuring that a permitted payment stablecoin issuer or foreign payment stablecoin issuer directs reserve assets to the correct account, such as a reserve account rather than a proprietary account. The commenter stated that, consistent with the futures commission merchant framework, the issuer should bear responsibility for segregation and avoiding commingling, while the custodian's role should be limited to

[89] As noted above, a permitted payment stablecoin issuer may use an investment adviser or asset manager to manage reserve assets under § 15.10 of the final rule, but the permitted payment stablecoin issuer remains responsible for ensuring compliance with the GENIUS Act and its implementing regulations.

recognizing and maintaining the designated account as separate. This commenter also noted that custodians should not be required to verify the sufficiency of reserve assets held by a permitted payment stablecoin issuer at the custodian or be subject to additional requirements with respect to transaction services they provide. One commenter requested that the OCC expressly confirm that prior OCC guidance, including Interpretive Letter 1172, to the extent it required custodians to monitor 1 to 1 reserve sufficiency, has been superseded by the GENIUS Act framework. Another commenter requested additional clarity regarding reserve assets held through custodians or intermediaries, including governance, control, and access rights.

As discussed in greater detail below, the final rule has been modified to provide additional clarity and notice to custodians. With respect to Interpretive Letter 1172, the OCC notes that the letter addressed deposit-taking activity and not custody. Nevertheless, the OCC confirms that a national bank or Federal savings association that holds deposits that serve as reserves or that holds other reserve assets in custody is not under an obligation to ensure that the reserve assets equal or exceed the outstanding issuance value of the payment stablecoin unless otherwise required by contract.

Under § 15.11(d) of the final rule, reserve assets in the custody of one or more eligible financial institutions will not be subject to the 40 percent limit in § 15.11(c)(2)(ii) provided that the permitted payment stablecoin issuer: (1) identifies itself to the custodian as a permitted payment stablecoin issuer; (2) ensures that the custodian commits to adhering to the requirements of section 10 of the GENIUS Act (12 U.S.C. 5909), including applicable implementing regulations; and (3) engages in appropriate due diligence and ongoing monitoring of its custodial arrangements to ensure compliance with applicable requirements of the GENIUS Act (12 U.S.C. 5901 *et seq.*), including applicable implementing regulations. These changes are intended to benefit custodians by providing them notice of when their obligations under section 10 of the GENIUS Act (12 U.S.C. 5909) attach. In addition, the requirements make clear that the permitted payment stablecoin issuer has an ongoing responsibility to conduct appropriate monitoring of the custodians that it employs. The OCC believes that this ongoing monitoring requirement will be both more effective and less burdensome than imposing a hard limit on the amount of exposure that a permitted payment stablecoin issuer can have to a single custodian. The final rule's approach requires a permitted payment stablecoin issuer to take appropriate steps to ensure that its custodians comply with the GENIUS Act. This puts an emphasis on understanding and analyzing the activities of custodians, whereas the proposal could have allowed a permitted payment stablecoin issuer to meet its obligations merely by diversifying among different custodians without engaging with the substance of the custodians' activities.[90]

f. Minimum Insured Deposit Requirement for Large Issuers

Proposed § 15.11(d) would have required a permitted payment stablecoin issuer with an outstanding issuance value of $25 billion or more to, on each business day, maintain at least 0.5 percent of its reserve assets in the form of insured deposits or insured shares at an insured depository institution, up to a cap of $500 million.

Several commenters opposed the proposed insured-deposit minimum. These commenters explained that the insured-deposit minimum would add significant operational complexity and liquidity risk without providing a commensurate prudential benefit, especially for large operational deposit balances that do not meaningfully benefit from deposit insurance. Regarding liquidity risk, a commenter asserted that many deposit insurance schemes have tighter settlement cutoff times than traditional demand deposit accounts, which would increase operational risk if reserves would not be immediately available. Furthermore, the FDIC's proposed restrictions on insured reserve balances would further complicate operationalizing the insured-deposit minimum requirement. A few commenters asserted that the OCC lacks the statutory authority to require issuers to place a percentage of reserve assets in numerous banks through the minimum insured deposit requirement. One commenter noted that the FDIC does not insure deposits above the $250,000 corporate limit, a limit that could render the minimum insured deposit requirement operationally infeasible. A commenter stated that the minimum insured deposit requirement would confuse stablecoin holders regarding what percentage of reserve assets are insured. Another commenter asserted that the requirement would unduly restrict an issuer's ability to manage counterparty and credit risk. One commenter noted that it is expensive to open numerous deposit accounts, and the costs necessary to comply with the minimum insured deposit requirement could impede the adoption of stablecoins.

One commenter requested clarification on how the minimum insured deposit requirement interacts with FDIC deposit insurance limits and capacity constraints at insured depository institutions. A few commenters suggested that if the minimum insured deposit requirement is finalized, it should not exceed the smaller of $100 million or 0.1 percent of reserve assets. A commenter recommended the OCC calibrate the minimum insured deposit requirement to recognize the distinction between reserves held at smaller banks and other institutions.

A few commenters were in favor of establishing a minimum insured deposit requirement and asserted that the proposed $25 billion threshold for issuers to be subject to the minimum insured deposit requirement is too high to prevent runs, de-pegging, and contagion. One of these commenters recommended lowering the threshold from $25 billion to $10 billion and raising the requisite percentage of reserve assets comprising insured deposits or shares from 0.5 percent to 5 percent, with total insured deposits or shares not to exceed $500 million regardless of the size of the issuer. A commenter opined that it is too early to determine whether all reserve deposits should be required to be insured in the event deposit insurance rules change, and that the final rule should not address such a requirement.

One commenter supported permitting issuers to use deposit placement services to comply with the GENIUS Act's diversification requirements for stablecoin reserves, subject to appropriate due diligence, including independent audit reports and Federal Financial Institutions Examination Council examinations. A few commenters opposed the use of deposit placement services for compliance with the diversification requirements, as the addition of intermediaries would increase operational complexity and counterparty risk.

After careful consideration of the comments, the OCC is not adopting a requirement to have a minimum insured deposit amount. The OCC agrees with commenters that this minimum requirement may introduce additional operational risk that does not merit the

[90] In response to certain comments, the OCC also confirms that, while a custodian may provide reserve asset valuation services, the permitted payment stablecoin issuer is responsible for ensuring that its reserve asset value equals or exceeds its outstanding issuance value at all times.

reduction in credit risk associated with having a minimum insured amount.

g. Composition Report, Monthly Certification, and Failure To Maintain Minimum Reserve Assets (§§ 15.11(e) Through (g))

i. Description of the Proposed Rule

Proposed § 15.11(e) would have required a permitted payment stablecoin issuer to publish on its website by noon on the last day of each month the composition of the issuer's reserves held pursuant to the GENIUS Act as of noon of the last day of the prior month, using a format substantially similar to the template provided in table 1 to proposed § 15.11(e). The report contained fields for the total number of outstanding payment stablecoins issued by the issuer and the amount (fair value) and composition of the reserves, including the average tenor and geographic location of custody of each category of reserve instruments. The information in the report, including the value of reserve assets, would have been reported as of the end of the previous month. Section 15.11(e) of the proposed rule would have implemented the requirement in section 4(a)(1)(C) of the GENIUS Act (12 U.S.C. 5903(a)(1)(C)).

Proposed § 15.11(f) implemented the applicable requirements of section 4(a)(3) of the GENIUS Act (12 U.S.C. 5903(a)(3)). This provision requires permitted payment stablecoin issuers to, each month, have the information disclosed in the previous month-end report examined by a registered public accounting firm. Proposed § 15.11(f)(1) would have required the examination of the previous month-end report to occur by noon on the last day of each month and would have required the report to be published on the permitted payment stablecoin issuer's website at the same time as the monthly report required under proposed § 15.11(e). Consistent with the Act, proposed § 15.11(f)(2) would have required the Chief Executive Officer and Chief Financial Officer (or the persons performing the equivalent functions) of the permitted payment stablecoin issuer to submit to the OCC a certification that the monthly report is accurate. Under section 4(a)(3)(C) of the Act (12 U.S.C. 5903(a)(3)(C)), any person who submits this required certification knowing that such certification is false shall be subject to the same criminal penalties as those set forth under 18 U.S.C. 1350(c).

Proposed § 15.11(g) set forth the consequences and remedial measures that would have applied if a permitted payment stablecoin issuer did not comply with the requirements of proposed § 15.11. Proposed § 15.11(g)(1) would have required a permitted payment stablecoin issuer to notify the OCC through its appropriate supervisory office on any day in which its reserve asset amount has fallen below the required minimum in proposed § 15.11(a). Proposed § 15.11(g)(2) would have barred a permitted payment stablecoin issuer that falls below the required minimum from issuing new payment stablecoins until it had remediated the shortfall except as necessary to facilitate a transfer of payment stablecoins from one distributed ledger to another and provided that the net outstanding issuance value does not increase. Proposed § 15.11(g)(3) provided that, if a permitted payment stablecoin issuer fails to meet its reserve asset requirement for 15 consecutive business days, it must begin liquidation of reserve assets and redemption of outstanding payment stablecoins consistent with § 15.12 and may not charge customers a fee to redeem their payment stablecoins at any time during the liquidation. The OCC would have been able to extend the time period under proposed § 15.11(g)(3) in its sole discretion. Because of the importance of maintaining minimum reserve asset levels, the proposed rule included automatic consequences for any non-compliance intended to prevent any concerns from developing further. This provision was intended to prevent chronic non-compliance with minimum reserve asset requirements. Proposed § 15.11(g)(4) stated that if at any point the OCC determined that a permitted payment stablecoin issuer had not demonstrated that it meets the reserve asset requirements in proposed § 15.11(a), (b), (c), or (d), the OCC may require the issuer to submit a plan describing how the permitted payment stablecoin issuer will attain compliance and the timeline for the plan. If the OCC determined, either before or after the submission of a plan, that a permitted payment stablecoin issuer faces a significant risk of being unable to attain compliance with the reserve requirements in proposed § 15.11(a), (b), (c), or (d) within a reasonable period, the OCC would have been able to order the issuer to initiate redemption of all outstanding payment stablecoins. Proposed § 15.11(g)(4) also stated that the OCC's authority to require a compliance plan or order redemption did not limit the OCC's authority to pursue other measures, including enforcement actions, if appropriate.

ii. Description of Comments and the Final Rule

Commenters generally supported proposed § 15.11(e) through (g), although some had a few suggested changes. With respect to § 15.11(e) and (f), several commenters suggested that the once-a-month reporting standard be dropped in favor of enhanced reporting,[91] such as through implementing random floating day attestations or surprise examinations. The OCC is not requiring an additional random floating day attestation at this time. The OCC has broad supervisory authority and may examine permitted payment stablecoin issuers, as appropriate, including on an immediate basis. In addition, the OCC will receive detailed information from permitted payment stablecoin issuers each week and will have the ability to flag any unusual activity using this information. In light of that, the OCC believes that imposing a random floating day attestation requirement across all issuers is unnecessary at this time. Permitted payment stablecoin issuers may, nevertheless, decide to engage in random-day reporting and certification as a best practice.

One commenter suggested that the monthly certification section be made public. Under the final rule, the report required under § 15.11(f)(1) must be made public and the certification required under § 15.11(f)(2) must be submitted to the OCC. Permitted payment stablecoin issuers or the OCC may choose to publish the certification. If a permitted payment stablecoin issuer failed to provide a certification, the OCC would take appropriate supervisory action. One commenter recommended using particular criteria for the monthly composition report. The OCC believes that the proposed criteria, supplemented by the reporting that the OCC will receive under § 15.14, is sufficient.

One commenter recommended that the OCC consider the Stablecoin Presentation and Disclosure Criteria developed by the AICPA in its rulemaking, recognizing that these criteria are already in use today and will continue to serve as the basis for issuer reporting and CPA examinations. Another commenter suggested the final rule specify that § 15.11(f) examinations are to be performed in accordance with the AICPA' Statements on Standards for Attestation Engagements, which could suggest particular assurance and

[91] Some of these commenters also addressed the requirement that excess reserves only be withdrawn once a month. The changes to § 15.11(a)(4) in the final rule address these comments.

independence standards for these examinations. The OCC recognizes that certain industry criteria have been adopted by accounting firms in evaluating disclosures by stablecoin issuers today, and the OCC recognizes the importance of suitable criteria for examination engagements that are relevant, objective, measurable, complete, and available for users of the report. However, the final rule does not mandate any particular criteria so long as the examination meets the statutory requirements under the GENIUS Act to preserve flexibility as industry standards continue to develop.

The proposed rule requested comments on the treatment of white-label arrangements or other arrangements where a single issuer issues multiple payment stablecoins. Several commenters stated that nothing in the GENIUS Act prohibits such arrangements. Other commenters noted that if such arrangements are allowed, the OCC should implement additional requirements. For example, several commenters requested clarification regarding whether proposed § 15.11(a)(1)(ii)'s requirement that reserve assets be segregated from other assets owned or held by the permitted payment stablecoin issuer applied as well to payment stablecoins issued on multiple blockchains (that is, whether the reserves backing issuances on each blockchain need to be segregated from each other or can be placed in an omnibus account). The OCC confirms that it is not necessary to separate reserve assets by blockchain for a payment stablecoin that is issued under a single brand. For example, a single brand of payment stablecoin could be available on both blockchain A and blockchain B. The payment stablecoin could be backed by a single pool of reserve assets. That pool of reserve assets would be subject to the identification and segregation requirements of § 15.11(a)(1)(ii) of the final rule. Some commenters argued against allowing issuers to commingle the reserves of each payment stablecoin or to utilize a combined report under proposed section 15.11(e), as that could increase the risk that holders of one stablecoin are affected by deficient reserves of a separately marketed payment stablecoin. One commenter suggested that risks related to multi-brand issuers are best addressed through disclosure requirements akin to the treatment of white-labeled deposit or prepaid banking products.

The final rule adopts § 15.11(e) of the proposed rule with minor changes. Specifically, the OCC is adding new paragraph (e)(1) and renumbering paragraphs (e)(1) and (e)(2) to (e)(1)(i) and (e)(1)(ii), respectively. The OCC is also making certain clarifying edits throughout.

The final rule also makes edits to Table 1 to paragraph (e). Table 1 to paragraph (e) provides a template for the monthly composition report. Table 1 has been updated to reflect the definition of reserve asset value. Footnote 1 to the table provides guidance as to how to report if an issuer issues multiple classes of payment stablecoins. The final rule revises this footnote to make clear that permitted payment stablecoin issuers should separately list different classes or brands, if applicable. The OCC has generally used these terms interchangeably and is making this revision for clarity. The footnote also states that, if a class or brand is secured by distinct pools of reserve assets, the permitted payment stablecoin issuer should describe both the operational and legal mechanisms for separately securing each brand or class (the proposal did not address operational mechanisms). Finally, consistent with other changes to the final rule, the OCC has revised footnote 1 to provide additional clarity for entities that use multiple separate issuer SPVs to issue payment stablecoins. The final rule makes clear that, if different payment stablecoins are issued by distinct issuers, such as SPV issuers, there should be a separate composition report for each class or brand. The final rule adopts § 15.11(f) as proposed with certain clarifying edits.

Regarding the consequences for failing to meet minimum reserve asset requirements in proposed § 15.11(g), commenters were largely supportive but offered various amendments or requested clarifications. Regarding the required notification in § 15.11(g)(1), one commenter requested that the OCC specify the exact format, submission mechanism, and timing window for the notification. The OCC is not revising the rule text in response to this comment. The final rule specifies that the permitted payment stablecoin issuer must provide notice through its supervisory office on any day in which the reserve asset amount falls below the required amount. The OCC believes that this is sufficient guidance and that adopting an overly formalistic submission mechanism may serve to delay prompt notification.

Regarding the prohibitions that are triggered if a permitted payment stablecoin issuer fails to satisfy the 1 to 1 reserve asset requirement at any time, several commenters asked that the OCC clarify that this does not apply to temporary and immaterial intraday shortfalls arising from normal settlement timing differences. These commenters are incorrect; the reserve asset requirement applies at all times and does not allow for shortfalls. It is important that payment stablecoin holders have confidence that their payment stablecoins are appropriately backed at all times, consistent with section 4(a)(1)(A) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)), which does not require that a permitted payment stablecoin issuer only maintain 1 to 1 backing on an end-of-day basis. The OCC has, however, made one change to § 15.11(g)(2)(i) in response to comments. The final rule provides that the OCC may permit a permitted payment stablecoin issuer that is under-reserved to issue new payment stablecoins. This additional language will provide additional flexibility to address situations where it may be appropriate to allow a permitted payment stablecoin issuer to continue issuing when under-reserved while ensuring that an under-reserved permitted payment stablecoin issuer remains subject to appropriate scrutiny.

Regarding the 15-consecutive-business-day trigger period for reserve asset liquidation in proposed § 15.11(g)(3), commenters expressed views on both the length of the period and the consequences. First, one commenter stated that the 15-day threshold is too permissive and should be based on a failure for 12 days in any 15-day period. Another commenter believed the 15-day period was reasonable but stated that the OCC should retain discretion to accelerate the period for material shortfalls. Second, several commenters cautioned against automatic liquidation thresholds, arguing that this could be overly punitive and could be more likely to result in fire sales. Instead, these commenters suggested either that the issuers implement gradual remediation or wind-down plans or else that the OCC establish tailored remediation timelines based on the nature and severity of the shortfall. The OCC believes that the flexibility in paragraph (g)(4) eliminates the need for any revisions. If an issuer fails to be adequately reserved for a significant period, the OCC could require a remediation plan or order the redemption of all outstanding payment stablecoins of a permitted payment stablecoin issuer even if the issuer did not trigger the automatic redemption provisions in § 15.11(g)(3). The OCC also disagrees with the commenters who cautioned against automatic liquidation

thresholds. In the first instance, the OCC reiterates the importance of permitted payment stablecoin issuers meeting their required reserve levels at all times. Second, the OCC notes that the OCC has discretion to extend the 15 consecutive-business-day period. Thus, if circumstances warranted an extension, the OCC could provide one.

In § 15.11(g), the agency is finalizing the rule as proposed with certain clarifying edits throughout, including using the phrase ''minimum reserve asset amount required by paragraph (a) of this section'' for consistency in § 15.11(g)(1), (g)(2), and (g)(3). Additionally, in § 15.11(g)(2)(i), the OCC is clarifying that a noncompliant permitted payment stablecoin issuer may issue new payment stablecoins if permitted by the OCC. The OCC is also making technical changes to § 15.11(g)(4) and splitting that paragraph into three paragraphs (g)(4)(i) through (g)(4)(iii).

Other Comments

Exceptions for Smaller Issuers That Are Subsidiaries of OCC-Regulated Depository Institutions

Commenters had a variety of views concerning potential exceptions from the requirements of § 15.11. A commenter opposed creating an exception for smaller issuers or issuers that are subsidiaries of insured depository institutions from the proposal's concentration and diversification requirements. One commenter supported the use of narrow exceptions from the proposal's concentration and diversification requirements, subject to enhanced disclosure requirements. A few commenters recommended that the exception for a subsidiary of an insured depository institution should be limited to parent institutions that are well capitalized. One of these commenters also supported permitting subsidiaries of insured depository institutions to hold all reserve assets as deposits at the parent institution only if the parent institution holds an equivalent amount of cash in its Federal Reserve master account. The commenter also suggested permitting reserve assets to be held in a designated sub-account of the parent institution's master account or in the master account of the subsidiary issuer.

The OCC is not revising the rule in response to these comments. The OCC believes that applying the same general standards to permitted payment stablecoin issuers that are subsidiaries of insured depository institutions and those that are not will enhance the safety and soundness of permitted payment stablecoin issuers, help to ensure financial stability, and facilitate competitive equity among different types of issuers. The OCC notes, however, that several of the requirements in the final rule are principles-based and tailored based on the size and complexity of a permitted payment stablecoin issuer. Thus, certain smaller and less complex permitted payment stablecoin issuers may be able to achieve compliance with these provisions using a simpler approach than that which would be necessary for a large and complex permitted payment stablecoin issuer.

Reserve Asset Management, Mechanics, and Operations

The OCC requested comments on whether to include additional measures to address de-pegging in the secondary market. Several commenters responded that the OCC should not consider secondary market transactions owing to the risk of market manipulation or a potential lack of depth or reliability. The final rule does not include additional text concerning secondary market transactions except in the context of final § 15.16 (where such transactions are a factor the OCC may consider in determining whether unusual and exigent circumstances exist). While the OCC believes that secondary market transactions may provide important supervisory information (and the OCC intends to review such information for supervisory purposes), the requirements of the GENIUS Act do not impose requirements on permitted payment stablecoin issuers regarding reserve assets that directly bear on secondary market transactions.

3. Redemption (§ 15.12)

a. Overview of Changes From Proposed Rule to Final Rule for § 15.12

As described below, the OCC is adding new paragraph (a) (and renumbering subsequent paragraphs appropriately). This new paragraph addresses the timeline for redemption.

The OCC is adopting paragraph (a) as proposed other than renumbering it to paragraph (b), changing a reference from ''customer'' to ''payment stablecoin holder,'' adding ''in the policy'' before the colon, and making other conforming edits to reflect the renumbering of paragraphs in final § 15.12.

The OCC is adopting paragraph (b) as proposed other than renumbering it to paragraph (c) in the final rule and making clarifying edits. The reserved numbering for proposed § 15.12(b)(2) has been removed, which led to a renumbering and a minor clarifying edit in final § 15.12(c).

The OCC is renumbering proposed paragraph (c) to paragraph (d) and eliminating the automatic redemption provision that was contained in proposed § 15.12(c)(1) and described in proposed § 15.12(c)(2) and (c)(3). Section 15.12(d)(1) of the final rule provides that a permitted payment stablecoin issuer must provide notice to the OCC through its supervisory office within 24 hours if it receives redemption requests in excess of 10 percent of the outstanding issuance value of any brand of payment stablecoin issued by the permitted payment stablecoin issuer in a single 24-hour period. Under § 15.12(d)(2) of the final rule, a permitted payment stablecoin issuer that experiences redemption requests in excess of 10 percent of the outstanding issuance value of any brand of payment stablecoin issued by the permitted payment stablecoin issuer in a single 24-hour period may request that the OCC extend the timeframe for timely redemption. Under § 15.12(d)(3) of the final rule, the OCC may, in its discretion, grant or deny an extension request or impose discretionary limitations upon timely redemption in accordance with section 4(a)(1)(B)(i) of the GENIUS Act (12 U.S.C. 5903(a)(1)(B)(i)).

The OCC is renumbering proposed paragraph (d) to paragraph (e), changing references from ''customer'' to ''payment stablecoin holders,'' and making other conforming edits to reflect the renumbering of paragraphs in final § 15.12. Where proposed § 15.12(d)(1)(iii) required disclosure of a link to the monthly composition report, final § 15.12(e)(1)(iii) requires disclosure of a web page that includes a link to the same report. The OCC is also adding new § 15.12(e)(1)(v), which would require a permitted payment stablecoin issuer to disclose that payment stablecoins are not legal tender, issued by the United States, or guaranteed or approved by the United States. The OCC is also adding new § 15.12(e)(1)(vi) which requires a permitted payment stablecoin issuer to disclose that payment stablecoins are not deposits and are not backed by the full faith and credit of the United States, subject to deposit insurance by the FDIC, or subject to share insurance by the National Credit Union Administration. The OCC is removing the surplus phrase ''that it provides'' from § 15.12(e)(4). Finally, the OCC is adding new § 15.12(f) to clarify that the OCC will not require a permitted payment stablecoin issuer to redeem a payment stablecoin

to the extent the permitted payment stablecoin issuer's actions to redeem the payment stablecoin would cause the issuer to violate other applicable law.

b. Description of the Proposed Rule

Section 15.12 of the proposed rule addressed redemption requirements imposed by section 4(a)(1)(B) of the GENIUS Act (12 U.S.C. 5903(a)(1)(B)). Consistent with the statute, under proposed § 15.12(a), a permitted payment stablecoin issuer must publicly disclose its redemption policy.[92] The OCC proposed that, in disclosing its redemption policy, the issuer must include, at a minimum, certain information. Specifically, proposed § 15.12(a)(1) provided that the issuer must include a timeframe in which the issuer will redeem payment stablecoins and the timeframe under which the issuer is required to redeem payment stablecoins (which, under proposed § 15.12(b)(1)(i) may not exceed two business days following the date of the requested redemption). Proposed § 15.12(a)(2) would have required the issuer to include a statement consistent with proposed § 15.12(b)(1)(ii) that any discretionary limitations on timely redemptions can only be imposed by the OCC or, in the case of a State qualified payment stablecoin issuer, by the OCC, Federal Reserve, or the State payment stablecoin regulator, as applicable. Proposed § 15.12(a)(3) required that issuers include in their redemption disclosures a statement explaining the scenarios when the redemption period may be extended as provided for in proposed § 15.12(c). Proposed § 15.12(a)(4) provided that the issuer must provide a statement with clear instructions on how a payment stablecoin holder can redeem a payment stablecoin, including a link to the website(s) where a customer can redeem the payment stablecoin. Proposed § 15.12(a)(5) would have required the issuer to specify the minimum number of payment stablecoins, if any, that the permitted payment stablecoin issuer will redeem, provided that the issuer must redeem any number greater than or equal to one payment stablecoin, subject to appropriate customer screening and onboarding.

Proposed § 15.12(b)(1) provided that an issuer's redemption policy must provide clear and conspicuous procedures for timely redemption of outstanding payment stablecoins. In proposed § 15.12(b)(1)(i), the OCC proposed to define ''timely'' to mean that the permitted payment stablecoin issuer would have to redeem a payment stablecoin no later than two business days following the date of the requested redemption. The OCC proposed this two-business-day timeframe as an outer limit on when a permitted payment stablecoin issuer must redeem a payment stablecoin and understands that many issuers may choose a timeframe that is less than two business days. Proposed § 15.12(b)(1)(ii), consistent with the statute, provided that discretionary limitations on timely redemptions can only be imposed by the OCC or, in the case of a State qualified payment stablecoin issuer, by the OCC, the Federal Reserve, or the State payment stablecoin regulator, as applicable.

Proposed § 15.12(c)(1) provided that the period for timely redemption is extended to seven calendar days if a permitted payment stablecoin issuer faces redemption demands in excess of 10 percent of its outstanding issuance value in a single 24-hour period. Under proposed § 15.12(c)(2), the extended redemption period would have applied to all redemption requests that are outstanding at the time the 10 percent threshold is met as well as any subsequent redemption requests following the time the threshold is met. Proposed § 15.12(c)(3) stated that the extension is non-discretionary and that a permitted payment stablecoin issuer may only redeem any of the outstanding or subsequent redemption requests prior to the seven-calendar-day period if the OCC determines that the issuer has the ability to redeem sooner in an orderly fashion and through a fair and transparent process or the OCC otherwise provides notice to the permitted payment stablecoin issuer that the extended redemption period no longer applies. Under proposed § 15.12(c)(4), a permitted payment stablecoin issuer that exceeds that 10 percent threshold would have been required to provide notice to the OCC through its supervisory office within 24 hours. Proposed § 15.12(c)(5) provided that the OCC may, in its discretion, extend timely redemption described in proposed § 15.12(b)(1) or (c)(1), as applicable, if the OCC determines that the permitted payment stablecoin issuer poses a threat to safety and soundness, financial stability, or such an extension is otherwise in the public interest.

Proposed § 15.12(d)(1) provided that a permitted payment stablecoin issuer must also publicly, clearly, and conspicuously disclose in plain language and in a format that is readily noticeable to customers, readily understandable by customers, and segregated from other information: (i) the name of the permitted payment stablecoin issuer that issues the payment stablecoin; (ii) that the permitted payment stablecoin issuer is the entity that is obligated to convert, redeem, or repurchase the payment stablecoin for a fixed amount of monetary value; (iii) the link to the monthly composition report of the relevant permitted payment stablecoin issuer's reserves as required under proposed § 15.11(e); and (iv) all fees associated with purchasing or redeeming payment stablecoins. The OCC included a requirement that the disclosures under proposed § 15.12(d)(1) be readily noticeable by customers, readily understandable by customers, and segregated from other information to provide more certainty on what it means to ''publicly, clearly, and conspicuously disclose [the information] in plain language.'' [93] The OCC proposed to include the requirement that the disclosures be segregated from other information to ensure that the information in the disclosures is not combined with other nonrelevant information that could obscure the importance of these disclosures.

Proposed § 15.12(d)(2) provided that an issuer must update the disclosures in proposed § 15.12(d)(1)(iv) if there are any changes in the fees associated with purchasing or redeeming stablecoins and provide customers at least seven calendar days' prior notice of the change, including by securely delivering the notice to current customers. Proposed § 15.12(d)(3) provided that a permitted payment stablecoin issuer must publish the disclosures in proposed § 15.12(d)(1) and any updates made in accordance with proposed § 15.12(d)(2) on the permitted payment stablecoin issuer's website. Proposed § 15.12(d)(4) provided that a permitted payment stablecoin issuer must include the disclosures in proposed § 15.12(d)(1) and any updates made in accordance with proposed § 15.12(d)(2) in any customer agreements that it provides.

c. Description of Comments and Final Rule

Commenters generally supported the majority of the requirements in proposed § 15.12(a). Some commenters disagreed on whether permitted payment stablecoin issuers should be permitted to set minimum redemption amounts. One commenter argued that the OCC should not require redemption

[92] Under section 2(22) of the GENIUS Act (12 U.S.C. 5901(22)), the issuer of a payment stablecoin must be obligated to convert, redeem, or repurchase a payment stablecoin for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value.

[93] 12 U.S.C. 5903(a)(1)(B)(ii).

of amounts greater than or equal to one stablecoin because such a low threshold would create disproportionate know-your-customer and anti-money-laundering burdens. Another commenter argued that the OCC should not impose a minimum redemption amount because redemption at par is a core feature of payment stablecoins. Commenters were also divided on whether permitted payment stablecoin issuers should be required to offer direct redemption to all payment stablecoin holders. Some commenters supported direct redemption for any holder, with no minimums, subject to compliance checks or the creation of a formal customer relationship through an onboarding process. In contrast, several commenters argued that issuers should be able to choose whether to have a fully retail redemption model or operate through institutional counterparties or authorized participants. One commenter went further by suggesting that redemptions should only be structured to take place with institutional counterparties and authorized participants, rather than through retail relationships. Similarly, another commenter indicated that permitted payment stablecoin issuers should not be required to screen and onboard any stablecoin holder who requests redemption.

In setting the requirement that a permitted payment stablecoin issuer must redeem any number greater than or equal to one payment stablecoin, the OCC looked to the structure of the Act and the relevant definitions. Notably, section 2(22) of the GENIUS Act (12 U.S.C. 5901(22)), defines ''payment stablecoin'' as a digital asset that an issuer ''is obligated to convert, redeem, or repurchase for a fixed amount of monetary value.'' The statutory language indicates that, while an issuer could set a minimum redemption threshold at a fraction of a payment stablecoin, an issuer redeems any number greater than or equal to one payment stablecoin under the GENIUS Act. Otherwise, a payment stablecoin would not be redeemable for a fixed amount of monetary value.[94] More generally, the OCC has identified nothing in the other provisions or structure of the Act, including the requirement to convert, redeem, or repurchase a payment stablecoin in section 2(22) of the GENIUS Act (12 U.S.C. 5901(22)) that distinguishes between retail or wholesale payment stablecoin holders.[95] Accordingly, the OCC has determined that a permitted payment stablecoin issuer must have the legal obligation to convert, redeem, or repurchase a payment stablecoin from any holder, subject to applicable law (*e.g.*, Federal laws, including BSA and economic sanctions requirements, including requirements of the customer identification program rule, certain non-U.S. laws, and State laws that are not preempted).[96]

To determine that a permitted payment stablecoin issuer does not have to redeem from any holder could result in the elimination of the obligation merely through a permitted payment stablecoin issuer limiting its customer base. For example, if a permitted payment stablecoin issuer were permitted to limit itself to only one institutional customer (*e.g.*, a digital asset service provider that served as a cryptocurrency exchange), and that customer ceased operations or its legal existence, the permitted payment stablecoin issuer would no longer have an obligation to convert, redeem, or repurchase from the remaining payment stablecoin holders. Such a result would not be consistent with the text of section 2(22) (12 U.S.C. 5901(22)). However, a permitted payment stablecoin issuer need not have a business that focuses on retail customers. Whether or not the permitted payment stablecoin issuer focuses on retail customers, it will have the legal obligation to be able to convert, redeem, or repurchase from such customers and should have appropriate procedures in place to onboard such customers, particularly in times of stress. In light of the foregoing, the OCC is finalizing § 15.12(a) as proposed with certain renumbering changes to reflect other changes in § 15.12, discussed in greater detail below. The provisions of proposed § 15.12(a) are codified in the final rule at § 15.12(b), and references to other sections of § 15.12 have been correspondingly updated. In addition, subsection (b) of the final rule includes ''in the policy'' before the colon and listed items, and paragraph (b)(4) of the final rule replaces a reference to a ''customer'' that was in proposed § 15.12(a)(4) with a reference to a ''payment stablecoin holder.'' The final rule also includes technical changes, including adding ''the'' in front of ''Federal Reserve'' in paragraph (b)(2) of the final rule.

Several commenters supported retaining a two-business-day standard for onboarded holders, particularly for direct counterparties, while some recommended that the OCC encourage same-day or real-time capabilities or tie shorter issuer commitments in terms of service to compliance expectations. One commenter recommended a 24-hour standard. Other commenters urged a more flexible, risk-based standard that accounts for reserve structure, safety and soundness, cross-border and intermediary arrangements, compliance reviews, and real-world settlement constraints. Commenters stated that the OCC should provide a clear timeframe for when redemption begins and ends. Commenters urged the OCC to adopt a clear, technology-neutral definition of redemption that focuses on completion of the issuer's obligations. Commenters requested clarification on when redemption is complete for compliance purposes, including whether completion occurs on burn initiation, block confirmation, ledger finality, or fiat currency credit to the customer's bank account. Several commenters suggested that redemption should be considered complete when the issuer either initiates payment, credits the holder's account, or fully processes the outgoing transfer, or when the holder receives fiat currency funds in its account. One commenter recommended a final-settlement approach based on receipt of funds by the redeeming party. Another recommended measuring compliance from the issuer's initiation of payment rather than final settlement.

Commenters also requested clarification on what is timely in various instances, including cross-border redemptions, court-ordered redemptions, and intermediated relationships. Several commenters supported preserving the two-business-day standard but allowing flexibility for delays caused by factors outside the issuer's control, such as payment-system disruptions, correspondent bank failures, or broader financial stress. Several commenters stated that the redemption timeline should begin only after the issuer is able to satisfactorily onboard the holder consistent with applicable laws and regulations. One commenter requested clarification that custodians should not be required to commit to specific settlement or release timeframes, and that the two-business-day standard should operate as an issuer liquidity and reserve requirement rather

[94] As discussed in greater detail below, a permitted payment stablecoin issuer could set a fee schedule that provided discounts for bulk redemptions or for new customers. Such a fee schedule would need to be publicly, clearly, and conspicuously disclosed in accordance with the final rule.

[95] A permitted payment stablecoin issuer must also meet its Bank Secrecy Act and economic sanctions obligations under the GENIUS Act.

[96] As discussed in greater detail below, new § 15.12(f) expressly confirms that the OCC will not require a permitted payment stablecoin issuer to redeem a payment stablecoin to the extent the permitted payment stablecoin issuer's actions to redeem the payment stablecoin would cause the issuer to violate other applicable law.

than a direct custodian obligation. One commenter requested recognition of comparable home-jurisdiction redemption standards in section 18(b) comparability determinations. One commenter requested that the OCC specify the consequences for untimely redemption.

The OCC agrees that it is important to provide a clear timeframe for when redemption begins and ends. Accordingly, the OCC is adding a new paragraph (a) (and renumbering subsequent paragraphs appropriately). This paragraph addresses the timeline for redemption and provides that, for purposes of § 15.12: (1) a permitted payment stablecoin issuer's obligation to redeem begins once: (i) the permitted payment stablecoin issuer has received a redemption order from a customer; [97] and (ii) if the permitted payment stablecoin issuer has onboarding procedures reasonably designed to not unduly delay the onboarding of retail or other customers, including in times of stress, the customer has been successfully onboarded and all other legal conditions necessary to permit redemption that complies with this part have been met. As discussed in greater detail below, permitted payment stablecoin issuers should have in place the capability to onboard new customers in times of stress. While many issuers may only interact directly with a small number of digital asset service providers in normal times, in times of stress or in the event of a failure of a digital asset service provider, payment stablecoin holders may seek to redeem directly with the permitted payment stablecoin issuer. The issuer should therefore have processes in place to address a sudden increase in customers.

Accordingly, paragraph (a)(1)(ii) is designed to ensure that a permitted payment stablecoin issuer cannot use deficiencies in its onboarding process as a pretext to artificially extend the timeline for redemption. Paragraph (a)(2) clarifies that redemption is deemed to occur when the permitted payment stablecoin issuer has fully processed and initiated the outgoing transfer of monetary value to the customer or the customer's financial institution as directed by the customer,[98] or, if requested by the customer, credited monetary value to the customer's account with the payment stablecoin issuer. This approach to the redemption timeline appropriately (1) focuses on aspects that are within the permitted payment stablecoin issuer's control (*i.e.*, the issuer sending monetary value rather than the customer receiving monetary value), (2) addresses potential complications that may arise in cross-border transactions or transactions with new customers, (3) ensures that an unduly short timeline will not conflict with a permitted payment stablecoin issuer's BSA/AML obligations and economic sanctions compliance requirements, and (4) aligns with current market practices. With this clarification concerning the redemption timeline, the OCC is retaining the baseline two-business-day timeline for timely redemption. The OCC believes this timeframe provides sufficient responsiveness to stablecoin holders who seek to redeem their stablecoins while also ensuring that issuers can appropriately manage liquidity demands. The OCC is not amending the rule to address comparable requirements of other jurisdictions, as those are best addressed through the determination that the Secretary of the Treasury makes pursuant to section 18(b) of the Act (12 U.S.C. 5916) and any associated reciprocal arrangements. In the event a permitted payment stablecoin issuer fails to timely redeem a payment stablecoin, the OCC intends to evaluate the facts and may take an appropriate enforcement action. The two-business-day timeline for timely redemption is a ceiling, and the OCC acknowledges that in order for payment stablecoins to be considered ''cash equivalents'' under GAAP and qualify as margin collateral under other requirements, the payment stablecoins may need to have an on-demand contractual right. Permitted payment stablecoin issuers may redeem earlier than two business days, but they may not redeem later than two business days, absent an extension of the period for timely redemption. Whether any particular payment stablecoin may qualify as margin collateral is outside the scope of this rulemaking.

One commenter urged the OCC not to permit issuers to freeze redemptions, including in unusual and exigent circumstances. Other commenters recommended a narrow safe harbor or exception where suspensions or delays result from clearly defined circumstances outside the issuer's control, such as system-wide disruptions, fraud investigations, sanctions screening, or payment-system failures, conditioned on the issuer providing notice and disclosure when the law permits. Many commenters opposed the proposed automatic seven-day stress extension and argued that it is pro-cyclical, could reinforce panic, and may undermine confidence or contribute to de-pegging. Several commenters recommended a discretionary or multi-factored approach instead of an automatic trigger. Commenters proposed alternatives including tailoring automatic extensions around reserve liquidity, requiring OCC notification of stress events and approval for an extension, a reserve-to-circulating-token trigger, and treating seven days as an outer limit rather than a mandatory delay.

Commenters also requested clarity on operational application of the trigger, including whether it would be triggered on a brand-by-brand basis for multi-brand or white-labeled coins, how to measure requests in pull-claim architectures where holders submit redemption requests but such requests are not immediately executed, whether the OCC may object or impose conditions, whether extensions apply to outstanding and subsequent requests, and queuing and communication practices during an extension. One commenter noted possible conflict where a United States issuer suspends redemption while a foreign affiliate remains redeeming.

Commenters requested clearer operational expectations for redemption throughput, automation, contingency staffing, banking-rail dependence, and stress readiness. One commenter supported requiring clear rules for timely and orderly customer redemption.

After considering the comments, the OCC is eliminating the automatic extension provided in proposed § 15.12(c). The OCC agrees with commenters that the automatic extension could prove pro-cyclical and trigger or exacerbate runs. At the same time, the OCC believes that it is important that the OCC receive prompt notice of any sudden spike in redemption requests, which may indicate stress at a permitted payment stablecoin issuer. Accordingly, § 15.12(d)(1) of the final rule provides that a permitted payment stablecoin issuer must provide notice to the OCC through its supervisory office within 24 hours if it receives redemption requests in excess of 10 percent of the outstanding issuance value of any brand of payment stablecoin issued by the permitted payment stablecoin issuer in a single 24-hour period. Under § 15.12(d)(2) of the final rule, a permitted payment stablecoin issuer

[97] The OCC notes that the revised definition of customer includes a person who requests that a permitted payment stablecoin issuer convert, redeem, or repurchase a payment stablecoin.

[98] Consistent with the revised definition, a payment stablecoin holder would become a customer of the permitted payment stablecoin issuer upon requesting redemption.

that experiences redemption requests in excess of 10 percent of the outstanding issuance value of any brand of payment stablecoin issued by the permitted payment stablecoin issuer in a single 24-hour period may request that the OCC extend the timeframe for timely redemption. The OCC may, in its discretion, grant or deny the extension request or impose discretionary limitations upon timely redemption in accordance with section 4(a)(1)(B)(i) of the GENIUS Act (12 U.S.C. 5903(a)(1)(B)(i)). The OCC expects to use this authority sparingly and that redemption extensions will be rare. The OCC notes that the OCC may also impose (and the permitted payment stablecoin issuer may request) discretionary limitations upon timely redemption in certain other circumstances, consistent with the statute.[99] The OCC would impose any such limit so as not to trigger or exacerbate runs or other stress events. The notification requirement in the final rule will provide the OCC with an early opportunity to assess whether such limitations may be appropriate and justified under the statute. The OCC notes that, because permitted payment stablecoin issuers may face redemption requests from payment stablecoin holders (subject to appropriate onboarding and screening), permitted payment stablecoin issuers should have in place processes to appropriately and promptly screen and onboard new customers, including in times of stress. It would be prudent for a permitted payment stablecoin issuer to provide disclosures concerning its onboarding process so that customers understand the process and how it may affect the timing of redemption (including when the permitted payment stablecoin issuer is under stress).

Commenters generally supported the proposed disclosures. Many supported including additional disclosures that payment stablecoins are not insured and, in one case, not legal tender. Several commenters requested clear disclosures regarding redemption rights, timeframes, fees, reserve composition, operational disruptions, and the identity of the legal issuer responsible for redemption.

Several commenters supported disclosure of redemption fees and fee changes, limits on hidden or abusive fees, point-of-transaction disclosure flexibility, and clarification that fee disclosure obligations apply to issuers rather than all market participants. Other commenters requested clearer allocation of disclosure responsibilities among issuers, exchanges, custodians, and intermediaries.

A few commenters supported disclosures requiring such an affirmative statement, with commenters stating that the OCC should either require such disclosure, provide sample disclosures, or require a standardized disclosure related to certain prohibitions against deceptive language in the GENIUS Act (12 U.S.C. 5903(a)(9)). One commenter stated that such a requirement should be principles-based and should emphasize prominence, timing, and customer comprehension. A different commenter opposed a requirement for such disclosure, stating that such disclosures were not required by the Act, and the prohibition itself obviates the need for disclosures. The commenter further stated that to the extent the OCC believes such additional disclosures are required, the OCC should only consider requiring them if and when actual market practices or consumer confusion demonstrate a clear need. Additionally, a few commenters stated that the OCC should require disclosures that provide that the issuer's payment stablecoins are not insured by the FDIC and not eligible for pass-through insurance.

The OCC is adopting proposed § 15.12(b) and (d) but renumbered as § 15.12(c) and (e) in the final rule, with certain additional modifications. First, the paragraph includes renumbering in light of new § 15.12(a). Second, because the OCC is no longer reserving § 15.12(b)(2), the OCC has consolidated proposed § 15.12(b)(1) into final § 15.12(c) with a clarification (adding ''that state'' before the colon) and appropriate renumbering.

Third, final § 15.12(e) includes certain disclosures beyond those proposed in § 15.12(d). The OCC believes that the baseline disclosures in proposed § 15.12(d) are appropriate and consistent with the statute but that certain additional disclosures would provide important additional clarity to customers and payment stablecoin holders. New § 15.12(e)(1)(v) would require a permitted payment stablecoin issuer to disclose that payment stablecoins are not legal tender, issued by the United States, or guaranteed or approved by the United States. This requirement would align with the prohibition against deceptive names in section 4(a)(9) of the GENIUS Act (12 U.S.C. 5903(a)(9)) and § 15.10(c) of the final rule. New § 15.12(e)(1)(vi) would require a permitted payment stablecoin issuer to disclose that payment stablecoins are not deposits, not backed by the full faith and credit of the United States, not subject to deposit insurance by the FDIC, and not subject to share insurance by the National Credit Union Administration. This would align with the prohibition against misrepresentation of insured status in section 4(e) of the Act (12 U.S.C. 5903(e)) and the definition of payment stablecoin (which excludes deposits) in section 2(22) of the Act (12 U.S.C. 5901(22)). The OCC has legal authority to require the disclosures under sections 4(a)(1)(B)(ii), 4(a)(9), and 4(e) of the Act (12 U.S.C. 5903(a)(1)(B)(ii), (a)(9), and (e)). Waiting for market practices to develop prior to requiring such disclosures does not appear prudent, given that the benefit of disclosing this information to payment stablecoin holders outweighs the minimal burden of including these statements in disclosures to payment stablecoin holders. This burden appears particularly minimal since such redemption disclosures are mandatory regardless of whether the OCC chose to add these additional requirements.

The final rule also replaces certain references to ''customers'' with ''payment stablecoin holders'' to be clear that disclosures should be readily noticeable and understandable to payment stablecoin holders, including those who have not yet become customers (*i.e.,* payment stablecoin holders who have not interacted directly with the permitted payment stablecoin issuer, including by requesting redemption from the permitted payment stablecoin issuer). Certain requirements would, however, apply only to customers with whom the issuer has a current relationship. These changes are appropriate in light of the change to the definition of ''customer'' described above. For a similar clarifying purpose, the OCC is replacing the phrase ''The link to the monthly composition report'' in proposed § 15.12(d)(1)(iii) with ''The website that contains a link to the monthly composition report'' in final § 15.12(e)(1)(iii). Final § 15.12(e)(4) does not include ''that it provides,'' which was included in proposed § 15.12(d)(4), because the phrase introduced a risk of ambiguity while adding no substantive description of the relevant disclosures.

A few commenters provided suggestions for the format of disclosures, including that they should be on the issuer's website, provided at the point of issuance or sale, and in a standalone format before the transaction is completed. Commenters also stated that disclosures should be prominent and obvious on the issuer's website, application interface, and in any promotional materials. Another commenter stated that the OCC should adopt a specific standardized data

[99] *See* 12 U.S.C. 5904(a)(1)(B).

format for stablecoin-related disclosures and that on-chain disclosure has its advantages. One commenter stated that the OCC should not impose technically infeasible disclosure obligations at every downstream transaction touchpoint and that there should be issuer-level disclosures rather than at the point of sale. Moreover, one commenter stated that disclosures should not be made through terms of service while another commenter stated that permitted payment stablecoin issuers should provide a fuller set of disclosures on their primary user interfaces and web pages. One commenter stated that any such disclosures should be continuously available, prominent, and linked with the issuer's core redemption, reserve, and product-risk disclosures. A few commenters suggested that the OCC should establish safe harbors or standardized disclosure templates for payment stablecoin disclosures that emphasize clarity and brevity.

The OCC declines to provide sample disclosures or a standardized format for such disclosures but notes that the disclosures must meet the requirements of § 15.12(e)(1). That section requires that the permitted payment stablecoin issuer's disclosures must publicly, clearly, and conspicuously disclose the required information in plain language and in a format that is readily noticeable to payment stablecoin holders, readily understandable by payment stablecoin holders, and segregated from other information. Such sample disclosures are not necessary because the disclosure requirements are simple and clear. The OCC is not instituting a principles-based requirement because it believes that disclosing this limited additional information does not impose significant burden on permitted payment stablecoin issuers.

The OCC does not believe it is prudent to pick a specific format for disclosures, given that a Federal disclosure regime specific to stablecoins did not exist prior to the passage of the Act. Therefore, the market needs to develop prior to the OCC considering whether there should be a specific format for disclosures. The OCC is not opposed to on-chain disclosures, so long as such disclosures meet the requirements in § 15.12(e). Similarly, the OCC takes no view on whether disclosures should be at the issuer level or at the point-of-sale, so long as they meet the requirements of the Act and this final rule. To the extent the disclosures are made through the terms of service, but the disclosures are not conspicuous and readily noticeable to payment stablecoin holders, such disclosures would not comply with the requirement in § 15.12(e)(1) of the final rule. The OCC is not establishing safe harbors or standardized disclosures because there may be different formats of disclosures that can satisfy the requirements in § 15.12(e), and the OCC believes the disclosure requirements are straightforward and do not necessitate further clarification beyond what is in the final rule.

While the OCC agrees with commenters that stated that permitted payment stablecoin issuers should have to disclose that payment stablecoins are not insured by the FDIC, the OCC did not include any requirements related to pass-through insurance as the FDIC's notice of proposed rulemaking addresses the applicability of pass-through insurance, and the FDIC's proposal has not yet been finalized. Once the FDIC finalizes its rulemaking, the OCC will consider whether any revisions to 12 CFR part 15 are necessary.

Many commenters also made suggestions of other categories of disclosures the OCC should consider. One commenter stated that there should be clear disclosure requirements for permitted payment stablecoin issuers and intermediaries regarding the timing, content, and roles of each party so consumers understand the relevant risks. Commenters also suggested that permitted payment stablecoin issuers should disclose the redemption rights of payment stablecoin holders, the nature of the issuing entity, that the payment stablecoin is issued by a permitted payment stablecoin issuer, the identity of the primary Federal regulator, and a warning, if applicable, that all transactions using the payment stablecoin are not reversible. One commenter also suggested disclosures related to operational risk, including disclosures regarding blockchain network participation, all blockchain activities, risks from a network disruption, and third-party details. Another commenter stated that the OCC should work with the FDIC to require disclosures regarding how customer funds are protected by reserve requirements,[100] how customers can convert their payment stablecoins back to dollars, and information about insured and uninsured balances. Commenters also suggested prohibitions on nonbank permitted payment stablecoin issuers using the word ''bank'' in their names, marketing materials, websites, application interfaces, and any other communications targeted at customers.

The OCC is not adopting any additional disclosure requirements in the final rule beyond the changes already discussed to § 15.12(e). With respect to disclosures surrounding intermediaries, the OCC believes that disclosing the name of the permitted payment stablecoin issuer that issued the payment stablecoin under § 15.12(e)(1)(i) is sufficient to help customers understand the entity they can redeem from. Additionally, disclosing the primary Federal regulator might cause confusion because several Federal agencies have different responsibilities under the Act. The OCC also believes that disclosing that transactions using a payment stablecoin are not reversible, which may not always be the case, is unnecessary and could similarly cause confusion. The OCC also believes disclosure regarding blockchain activities need not be mandatory, but, to the extent issuers believe they would be helpful, they may provide this information to customers. While a nonbank permitted payment stablecoin issuer referring to itself as a ''bank'' is not explicitly prohibited by the Act, such representations might raise concerns under other applicable laws. Moreover, the OCC already requires public disclosure of reserve assets in the monthly composition report required under § 15.11(e) of the final rule. The OCC is not adding a disclosure requirement for the token asset identifier, but issuers may disseminate this information if it would be helpful to customers.

A few other commenters asked for additional clarity related to disclosures. One commenter stated that the OCC should articulate a more defined reasonableness standard based on the net impression of the communication and provide examples of likely violations and compliant communications. One commenter asked for clarity on the responsibility allocation and stated that issuers should remain responsible for their marketing materials while digital asset service providers should be responsible for their own customer-facing representations. The commenter further stated that both should be expected to maintain controls designed to prevent misrepresentation. Another commenter stated that it would be helpful to understand which factors the OCC would consider in evaluating such disclosures. Another commenter stated that the OCC should clarify how it will implement prohibitions on deceptive

[100] Similarly, one commenter stated that there should be standards for the user interfaces that people will use to access permitted payment stablecoin issuers and that those standards should describe the payment stablecoin's relationship to reserves.

marketing practices, provide clarity around marketing practices, and strengthen the customer protection objectives of the prohibition. The commenter further stated that the OCC should clarify the factors it would consider relevant to finding a disclaimer sufficiently clear and specific and provide examples of disclaimers that would be acceptable. Another commenter stated that the OCC should establish disclosure safe harbors for clarity and brevity.

Section 15.12(e)(1) provides sufficient clarity regarding the requirements for the disclosures required by the final rule. The disclosure requirements under § 15.12(e) apply to permitted payment stablecoin issuers, and therefore issuers are responsible for those particular disclosures. The OCC agrees that permitted payment stablecoin issuers should have controls designed to prevent misrepresentation, which would generally be part of an effective risk management program required under § 15.13 of the final rule. Permitted payment stablecoin issuers are also responsible for overseeing service provider arrangements under § 15.13(a)(7), which means that their service providers should have appropriate measures in place designed to meet the requirements of this final rule.

Permitted payment stablecoin issuers may include additional disclosures as best practices. For example, depending on a permitted payment stablecoin issuer's business model, it may be important to provide disclosures relating to the timeframe for onboarding new customers (including in times of stress). As market practices develop and the OCC gains additional experience supervising permitted payment stablecoin issuers, the OCC may consider proposing additional or revised disclosures, as appropriate.

The final rule includes new § 15.12(f), which confirms that the OCC will not require a permitted payment stablecoin issuer to redeem a payment stablecoin to the extent the permitted payment stablecoin issuer's actions to redeem the payment stablecoin would cause the issuer to violate other applicable law.[101] The OCC is adding this provision to make clear that the OCC would not consider it a violation of the Act or part 15 if a permitted payment stablecoin issuer failed to redeem a payment stablecoin due to, for example, its obligations under applicable BSA and economic sanctions requirements because the OCC would not require such a redemption. As another example, if a foreign jurisdiction required that a permitted payment stablecoin issuer be licensed or registered to redeem a payment stablecoin in a foreign country and the issuer did not have such a license or registration, the OCC would not require the issuer to redeem a payment stablecoin from a payment stablecoin holder who is in a foreign country in which the issuer was not licensed or registered. The OCC may consider revising § 15.12(f) over time based on, among other things, the nature of the conflicting laws that arise.[102]

Relationship of Redemption Requirements to Liquidity and Reserve Requirements

Several commenters stated that liquidity requirements should be calibrated to the issuer's actual redemption obligations or contractual redemption period. Some commenters requested clarification on how issuers are expected to satisfy redemption obligations under the proposed liquidity thresholds and settlement mechanics. Other commenters supported strict reserve, stress-testing, and prompt par redemption requirements to protect consumers and reduce run risk.

One commenter argued that credit risk management should focus on actual counterparty and redemption risk rather than temporary fair-value fluctuations, particularly for reserves held at supervised insured depository institutions. Commenters also requested flexibility for affiliate and cross-border reserve structures, including reserve rebalancing across regulated affiliates and recognition of on-chain reserves under reciprocity arrangements. Comments related to liquidity and risk management requirements are addressed in the sections of the preamble discussing § 15.11 and § 15.13, respectively.

Fees

Commenters were divided on whether redemption fees should be permitted. Some commenters supported allowing fees if they are market-driven, transparent, proportionate, and tied to genuine processing costs. One commenter also argued that minting and burning fees are ordinary in commercial transactions and may provide needed revenue in low-rate environments. Other commenters supported prohibiting redemption fees that reduce the value received below par, while distinguishing ancillary service charges such as foreign exchange conversion or expedited settlement. The GENIUS Act clearly contemplates that permitted payment stablecoin issuers may charge fees, subject to appropriate disclosures. *See, e.g.,* section 4(a)(1)(B)(ii) of the Act (12 U.S.C. 5903(a)(1)(B)(ii)). Accordingly, the OCC is not limiting permitted payment stablecoin issuers from charging properly disclosed fees except in the event of liquidation for failure to meet liquidity, capital, or operational backstop requirements, or pursuant to an enforcement action, as appropriate.[103]

Foreign Jurisdictions

One commenter requested that the OCC address issuers operating in foreign jurisdictions and the risk that economically similar instruments issued under different regimes could confuse holders about reserve backing and redemption rights. Disclosure requirements applicable to permitted payment stablecoin issuers and the requirements of section 18 of the GENIUS Act (12 U.S.C. 5916), its implementing regulations, and any conditions imposed thereunder should help to address potential issues relating to confusion.

Multiple Chains

Commenters requested clarification on how reserve requirements, redemption timelines, reporting obligations, and the 10 percent threshold apply when issuance is distributed across multiple chains with different finality characteristics. Commenters also requested clarification that cross-chain and cross-network interoperability activities directly support issuance and redemption and that the OCC address the operational, settlement, interoperability, and control risks of cross-chain transfers used to meet redemption demands. The final rule applies in a technology-neutral manner and thus its application does not change based on the particular blockchain on which a payment stablecoin operates. The 10 percent threshold applies on a per-brand basis. With respect to interoperability, section 12 of the GENIUS Act (12 U.S.C. 5912) provides that the Federal payment stablecoin regulators, in consultation with the National Institute of Standards and Technology, other relevant standard-setting organizations, and State bank and credit union regulators, shall

[101] ''Applicable law'' does not include any State law that is preempted.

[102] The OCC will scrutinize attempts to inappropriately use § 15.12(f) in a manner that attempts to evade the provisions of the GENIUS Act and 12 CFR part 15.

[103] A permitted payment stablecoin issuer may, for example, use a properly disclosed fee structure to impose higher fees on redemption requests for small amounts of payment stablecoins or for redemption requests arising from foreign jurisdictions.

assess and, if necessary, may prescribe standards to promote interoperability. The OCC is actively engaging in assessing issues relating to interoperability, in consultation with other regulators. The OCC is not, however, imposing interoperability standards in this rulemaking.

Civil Recovery

One commenter recommended tolling the ordinary two-business-day redemption timeframe upon receipt of a qualifying civil recovery order until the order is satisfied, requiring the issuer to satisfy order-related redemptions before ordinary requests and notify the OCC within 24 hours. The commenter stated that qualifying orders should include pre-judgment restraining orders under 18 U.S.C. 983(j), civil forfeiture orders under 18 U.S.C. 981 or 21 U.S.C. 881, restitution orders in Federal criminal proceedings, and writs of execution or judgment liens. This comment addresses an issue that is generally outside the scope of this rulemaking. Accordingly, the OCC is not revising the rule to address the issue at this time but may consider it as part of future rulemakings addressing part 15. The OCC may, in the interim, use its reservation of authority to toll the two-business-day redemption timeframe in connection with a civil order, as appropriate.

Finally, the OCC notes that the requirements of § 15.12 apply only to the redemption of a payment stablecoin by the permitted payment stablecoin issuer (including any entity acting as agent on behalf of the permitted payment stablecoin issuer) and do not apply to secondary market trading.

4. Risk Management (§ 15.13)

Section 4(a)(4)(A)(iv) of the GENIUS Act (12 U.S.C. 5903(a)(4)(A)(iv)) provides that the OCC must issue regulations implementing appropriate operational, compliance, and information technology risk management principles-based requirements and standards that are tailored to the business model and risk profile of permitted payment stablecoin issuers and are consistent with applicable law. This provision also requires that Bank Secrecy Act and sanctions compliance standards be implemented. The Bank Secrecy Act and sanctions compliance requirements are addressed in a different proposed rule.[104] Proposed § 15.13 addressed the remaining requirements and standards required under section 4(a)(4)(A)(iv) of the GENIUS Act (12 U.S.C. 5903(a)(4)(A)(iv)). Proposed § 15.13 also addressed interest rate risk management standards under section 4(a)(4)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(4)(A)(iii)).

a. Overview of Changes From Proposed Rule to Final Rule for § 15.13

The OCC is adopting § 15.13(a)(1) through (a)(5) as proposed except for changes to four provisions. In final § 15.13(a)(1)(i) on internal controls and information systems, the description of the organizational structure no longer includes an internal control structure. The final version of this paragraph also has a new phrase at the end; the OCC moved the proposed segregation of duties to this phrase and added a reference to dual controls. In final § 15.13(a)(2)(i), the phrase ''size, complexity, or scope of operations'' has been moved before ''permitted payment stablecoin issuer'' for clarity. In final § 15.13(a)(3)(ii), the phrase ''adequate'' is changed to ''sufficient'' and moved after the term information, and ''to an extent commensurate with their duties'' now qualifies the information sufficient for management and the board of directors to assess the level of interest rate exposure risk. Both of these changes are meant to clarify the expectations related to the information provided in periodic reporting to management. Additionally, other technical edits were made to final § 15.13(a)(4) to enhance readability of the provision.

The agency is adopting § 15.13(a)(6) on insider and affiliate transactions with several revisions. Paragraph (a)(6)(i) clarifies that a permitted payment stablecoin issuer must ensure the listed conditions are satisfied alone and in the aggregate. Additionally, the OCC has replaced proposed § 15.13(a)(6)(i)(A), which addressed transactions that would be excessive or pose significant risks of material financial loss, with § 15.13(a)(6)(i)(A) and (B). The final § 15.13(a)(6)(i)(A) addresses transactions that are quantitatively detrimental in light of the business model of the permitted payment stablecoin issuer. Transactions posing significant risks of material financial loss are covered in final § 15.13(a)(6)(i)(B). The OCC is adopting proposed § 15.13(a)(6)(i)(B) and (C), renumbered as § 15.13(a)(6)(i)(C) and (D), as proposed with technical edits to add commas and replace ''or'' with ''and'' when referring to transactions with, or involving, non-insiders and non-affiliates.

The OCC is adopting proposed § 15.13(a)(7) and (a)(8) as proposed, except that final § 15.13(a)(7)(ii) expands the list of applicable requirements to include GENIUS Act requirements and has technical edits to move the phrase ''by contract'' to enhance readability. There is also a technical change in § 15.13(a)(7)(iii) to replace ''permitted payment stablecoin issuers'' with ''a permitted payment stablecoin issuer.''

The final rule includes new § 15.13(a)(9) and (a)(10). Section 15.13(a)(9) concerns monetization and stress testing, with requirements addressing the capability of a permitted payment stablecoin issuer to support timely redemption, the ability of a permitted payment stablecoin issuer to reliably access and monetize reserve assets, and regular stress testing of the reserve asset portfolio. Section 15.13(a)(10) covers foreign exchange risk and the use of foreign exchange risk management instruments by permitted payment stablecoin issuers.

The OCC is adopting § 15.13(b) as proposed with changes to five paragraphs. First, in § 15.13(b)(2) addressing board oversight of an information technology and security program, the proposal's reference to a specific Information Technology and Security Officer title has become a reference to a qualified individual responsible for the program. Second, whereas proposed § 15.13(b)(4)(i) would have required a permitted payment stablecoin issuer's information technology program to ensure the security and confidentiality of records containing nonpublic personal information, final § 15.13(b)(4)(i) also requires the program to ensure the security and confidentiality of sensitive customer information.

Third, final § 15.13(b)(6) is modified to clarify that it concerns the permitted payment stablecoin issuer's ability to monitor and adjust the program. Related to this clarification, final § 15.13(b)(6)(i) includes the proposed language for § 15.13(b)(6) except for a phrase related to evaluation and adjustment of the program, and the OCC is adding § 15.13(b)(6)(ii), which provides that the permitted payment stablecoin issuer must evaluate and adjust the information technology and security program, as appropriate, based on the monitoring required by § 15.13(b)(6)(i).

Fourth, final § 15.13(b)(7) is modified for non-substantive edits, to add clarifying language, and to separate the provision into § 15.13(b)(7)(i)(A) through (C). In addition, final § 15.13(b)(7)(ii) covering notification of unauthorized access to sensitive customer information for a group of customers includes clarifying edits, including that the proposal's reference to a group of files instead refers to the files of a group of customers. Fifth, final

[104] *See* 91 FR 37840 (June 24, 2026).

§ 15.13(b)(8) on information technology resilience removes the specific reference to disruptions, and it corrects a preposition in the proposal.

b. Description of Comments and General Overview of Final Rule Approach

The GENIUS Act requires that the regulation's requirements and standards be ''principles-based.'' Accordingly, the OCC proposed flexible standards in § 15.13 that scaled based on the nature, scope, and risk of a permitted payment stablecoin issuer's activities. Most of the standards in proposed § 15.13 were adapted from relevant provisions of 12 CFR part 30, appendices A and B, which in turn implement 12 U.S.C. 1831p–1.[105] The OCC identified standards from appendices A and B of 12 CFR part 30 that fit the requirements of section 4(a)(4)(A)(iii) or 4(a)(4)(A)(iv) of the GENIUS Act (12 U.S.C. 5903(a)(4)(A)(iii) or (a)(4)(A)(iv)) and then, consistent with the statute, adapted and tailored those standards to the business models of permitted payment stablecoin issuers, as appropriate. In addition, on July 14, 2025, the OCC issued a joint statement, together with the Federal Reserve and FDIC, on Risk Management Considerations for Crypto-Asset Safekeeping,[106] and the standards in proposed § 15.13 were consistent with the considerations described in the joint statement.[107]

The OCC is adopting proposed § 15.13 with targeted changes. The final rule retains the principles-based and technology-neutral approach of the proposed rule, but the final rule has been modified to provide additional clarity, include stress test requirements, and address foreign exchange risk management. A description of the general comments received pertaining to proposed § 15.13 and the OCC's responses is below, followed by a description of specific comments relevant to proposed § 15.13 and changes made in the final rule.

Many commenters opined on whether § 15.13 should be principles-based as opposed to prescribing specific requirements. For example, a few commenters suggested that principles-based requirements and standards allow for needed flexibility while maintaining strong governance, operational resilience, and financial controls. Other commenters recommended principles-based requirements and standards accompanied by clear supervisory guidance. One commenter noted the importance of providing sufficient detail to enable consistent compliance and examination if maintaining a principles-based approach. A few commenters indicated that a principles-based approach allows for better scaling to an institution's size, complexity, and risk profile.

Additionally, many commenters discussed whether the rule should remain technology-neutral. For example, several commenters suggested that in order to remain principles-based, § 15.13 should not impose specific requirements around the use of particular technical elements of stablecoins due to rapid technological changes occurring in the industry. Other commenters, however, suggested that while requirements in general should be principles-based, the framework should focus on technology-specific risks given the technological nature of the industry. In particular, these commenters recommended addressing the risks or benefits associated with distributed ledger technology in greater detail.

Section 4(a)(4)(A)(iv) of the GENIUS Act (12 U.S.C. 5903(a)(4)(A)(iv)) provides that risk management standards and requirements must be ''principles-based.'' In addition, the nature of many of the areas covered by the § 15.13 risk management provisions is such that implementation will depend on the business model, activities, and circumstances of each institution. Because of this nature, principles-based requirements are appropriate as a matter of policy as well as required by law. Additionally, the OCC has historically taken a technology-neutral approach to rulemaking, which it intends to continue. Employing a technology-neutral approach will help ensure that the requirements of 12 CFR part 15 adequately address the core risks applicable to permitted payment stablecoin issuers even as technology changes. Thus, while the final rule includes certain references to concepts that generally apply to distributed ledger technology (*e.g.,* private keys), the final rule does not favor one particular technological solution over another.

Several commenters suggested requiring real-time monitoring of smart contract activity, distributed ledger activity, reserve management, and redemption activity. A few commenters suggested requiring real-time and API-based reporting for regulators. The above discussion of § 15.11(a) considers these and similar comments with respect to how permitted payment stablecoin issuers satisfy their reserve requirements under the GENIUS Act, and the below discussion of § 15.14 relates to audits, reports, and supervision. The final rule does not include a real-time monitoring requirement for permitted payment stablecoin issuers (consistent with the technology-neutral and principles-based approach that the OCC has taken with respect to § 15.13). The OCC notes, however, that the final rule requires permitted payment stablecoin issuers to back payment stablecoins with reserve assets on at least a 1 to 1 basis at all times. Refer to the discussions of § 15.11 and § 15.14 for more about how permitted payment stablecoin issuers satisfy this requirement.

Several commenters suggested allowing a permitted payment stablecoin issuer that is an insured depository institution subsidiary to satisfy risk management requirements through the insured depository institution's risk management framework. Commenters making this recommendation argued that doing so would reduce duplication of requirements. Some commenters made this recommendation specifically in situations where the parent insured depository institution's framework explicitly encompasses the permitted payment stablecoin issuer's specific activities and risk profile. Other commenters suggested that compliance may be based on a parent's risk management framework where the parent's framework already addresses the risks covered in § 15.13 in a manner that is at least equivalent in outcomes. A few commenters recommended that any compliance based on a parent's framework be subject to supervisory confirmation, rather than automatically and conclusively determining that the subsidiary is in compliance, and that the OCC retain discretion to require additional or standalone risk management for risks that are not adequately addressed by the parent's framework. Alternatively, one commenter argued that a permitted payment stablecoin issuer that is a subsidiary of an insured depository institution should not be allowed to satisfy risk management requirements

[105] While the standards listed in 12 U.S.C. 1831p–1 provide a useful reference point for standards that may be applicable to permitted payment stablecoin issuers, the OCC is not invoking 12 U.S.C. 1831p–1 as a source of authority for issuing these risk management requirements. Accordingly, the specific requirements for violating 12 U.S.C. 1831p–1 would not necessarily apply to permitted payment stablecoin issuers (*e.g.,* a mandatory plan).

[106] *See* OCC News Release 2025–68, ''Agencies Issue Joint Statement on Risk-Management Considerations for Crypto-Asset Safekeeping'' (July 14, 2025), *https://www.occ.gov/news-issuances/news-releases/2025/nr-ia-2025-68.html.*

[107] Consistent with the recommendations in the Digital Financial Technology Report, the OCC intends to provide additional clarity with respect to digital asset activities undertaken by OCC-supervised entities.

by reference to the parent institution's existing framework and that in all cases compliance should be demonstrated by the permitted payment stablecoin issuer.

A parent insured depository institution will separately be subject to the requirements of 12 CFR part 30, Appendices A and B, and other applicable requirements, and the OCC will separately supervise the insured depository institution parent's risk management. A permitted payment stablecoin issuer that is a subsidiary of an insured depository institution may rely on the parent's risk management framework to the extent that the parent's risk management framework addresses the requirements of the GENIUS Act and 12 CFR part 15 and to the extent the management of the permitted payment stablecoin issuer plays a meaningful role in the risk management framework related to the permitted payment stablecoin issuer's activities. Similarly, a permitted payment stablecoin issuer that is an SPV may rely on the risk management framework of its parent entity, provided that the parent entity's risk management framework complies with and adequately addresses § 15.13. The OCC will reduce duplicative regulatory requirements to the fullest extent possible.

Many commenters discussed whether the rule should include additional tailoring of risk management requirements and standards across permitted payment stablecoin issuers. Several commenters called for consistent standards for all permitted payment stablecoin issuers regardless of size, which they asserted would establish a common safety and soundness baseline and promote regulatory clarity. Many other commenters supported a tailored framework to allow community banks better access to the stablecoin market. A few commenters advocated for a combination of standardized and tailored frameworks. For example, one commenter suggested that there be baseline risk management standards across permitted payment stablecoin issuers with tailoring that takes into account other regulatory requirements with which the permitted payment stablecoin issuer is already required to comply. One commenter advocated for tailored requirements based on specific risk profile and complexity rather than simply by size.

The Act requires ''risk management principles-based requirements and standards . . . that are tailored to the business model and risk profile of permitted payment stablecoin issuers.'' [108] Consistent with the statutory requirement, it is appropriate to require risk management requirements and standards appropriate to the size and complexity of a permitted payment stablecoin issuer and the nature, scope, and risk of its activities. Accordingly, the final rule includes broad principles-based language that accounts for the size and complexity of a permitted payment stablecoin issuer.

Some commenters suggested strategies to address challenges posed by interoperability in payment stablecoin transactions. The above discussion of § 15.12 addresses commenters who referred to interoperability in the context of certain payment stablecoin transactions (issuance and redemption). Some commenters advocated for developing mandatory interoperability standards in coordination with the National Institute of Standards and Technology (NIST). Other commenters opposed including interoperability standards in the final rule. Some favored including high-level principles-based standards. The final rule does not mandate interoperability standards in recognition of the relative novelty of the payment stablecoin industry. The OCC notes, however, that under section 12 of the GENIUS Act (12 U.S.C. 5912), the primary Federal payment stablecoin regulators, in consultation with NIST, other relevant standard-setting organizations, and State bank and credit union regulators, shall assess and, if necessary, may prescribe standards for permitted payment stablecoin issuers to promote compatibility and interoperability. As the industry develops, the OCC will continue to work with the other regulators to assess whether it is necessary to prescribe standards for permitted payment stablecoin issuers to promote compatibility and interoperability.

A few commenters suggested that permitted payment stablecoin issuers should be required to acquire insurance against certain risks, for example, cyber, crime, or professional liability insurance. A few commenters suggested that there should be minimum coverage requirements, potentially tailored based on size and complexity of the permitted payment stablecoin issuer. A few commenters suggested that disclosure of insurance coverage should be required to regulators but not the public. A few commenters argued that a potential problem posed by requiring insurance coverage may be the lack of availability of particular types of insurance.

The OCC recognizes insurance as a piece of risk management but does not prescribe particular private insurance requirements. This approach is consistent with the OCC's treatment of other OCC-supervised entities.

c. Description of Proposed Rule, Comments, and Final Rule

Proposed § 15.13(a)(1) would have required that a permitted payment stablecoin issuer have internal controls and information systems that are appropriate for the size and complexity of the permitted payment stablecoin issuer and the nature, scope, and risk of its activities and that provide for: (i) an organizational structure with appropriate segregation of duties and an internal control structure that establishes clear lines of authority and responsibility for monitoring adherence to established policies; (ii) effective risk assessment; (iii) timely and accurate financial, operational, and regulatory reporting, including with respect to reports required under proposed part 15; (iv) adequate procedures to safeguard, manage, control, and monetize assets, including reserve assets; and (v) compliance with applicable laws and regulations. Internal controls refer to the systems, policies, procedures, and processes effected by the board of directors and other personnel to safeguard permitted payment stablecoin issuer assets, limit or control risks, achieve permitted payment stablecoin issuer objectives, and ensure compliance with applicable laws and regulations. The internal controls standards in proposed § 15.13(a)(1) were modeled on the internal controls standards in 12 CFR part 30, with some adjustments to accommodate the particular activities and risks of permitted payment stablecoin issuers.

A few commenters discussed requirements relating to the risk assessments under § 15.13(a)(1). One commenter suggested taking an open-methodology approach where OCC examiners could audit the risk assessment methodology rather than only its output and the OCC could establish principles for what constitutes an acceptable approach rather than needing to endorse any specific methodology. Several commenters discussed the benefits of real-time or continuous risk monitoring and reporting. One commenter opined that adequate risk assessment requires continuous monitoring of the full cycle of stablecoin activity, including both on- and off-chain activity. Another commenter suggested that risk assessment frameworks should be

[108] 12 U.S.C. 5903(a)(4)(A)(iv).

assessed against a baseline standard for all permitted payment stablecoin issuers. Some commenters supported strong internal controls, including segregation of duties, independent validation, dual or multi-party approvals, and strong governance over issuance systems. Another commenter noted that, with respect to reserve asset management, while assets should be appropriately segregated and independently controlled, any personnel or governance requirements should be proportional to the size and complexity of the issuer and implemented through broader reserve asset and risk management standards rather than as a separate standalone requirement. In contrast, some commenters suggested more specific direction concerning the appropriate organizational structure and responsibilities, such as greater clarity on the oversight role of the board of directors and requiring boards of directors to approve and implement a risk appetite statement.

The OCC is adopting paragraph (a)(1) as proposed with a change in § 15.13(a)(1)(i). Section 15.13(a)(1)(i) has been modified to delete ''with appropriate segregation of duties and an internal control structure'' and add '', including appropriate segregation of duties and dual controls.'' These modifications are not substantive but instead clarify that segregation of duties and dual controls may be elements of an organizational structure that facilitates internal controls. In response to commenters, the OCC is not mandating any particular method for risk assessment, and the OCC expects that different permitted payment stablecoin issuers may take different approaches based on the size and complexity of the issuer and the nature, scope, and risk of its activities. This approach is most consistent with the statutory requirement to provide tailored and principles-based risk management standards. Effective risk management depends on an effective risk assessment since a permitted payment stablecoin issuer cannot effectively manage its risks without an understanding of its risk profile. Procedures to safeguard, manage, control, and monetize assets will be expected to include measures to monitor and ensure the deposit concentration and diversification requirements are met. Likewise, procedures will be expected to address potential risks related to fraud and the theft of payment stablecoins or other assets.

The OCC proposed that § 15.13(a)(2) require permitted payment stablecoin issuers to have an internal audit system that is appropriate to the size and complexity of the permitted payment stablecoin issuer and the nature, scope, and risk of its activities and that provides for (i) adequate monitoring of the system of internal controls through an internal audit function, or for a permitted payment stablecoin issuer whose size, complexity, or scope of operations does not warrant a full-scale internal audit function, a system of independent reviews of key internal controls; (ii) independence and objectivity; (iii) qualified persons responsible for the audit function; (iv) adequate independent testing and review of internal controls and information systems, verification of published information available to customers, calculations for required reserves, and regulatory filings; (v) adequate documentation of tests and findings and any corrective actions; (vi) verification and review of management actions to address deficiencies; and (vii) review by the institution's audit committee or board of directors of the effectiveness of the internal audit systems.

A few commenters discussed requirements related to internal audit systems in proposed § 15.13(a)(2). A commenter suggested specific requirements to guide internal audit structure. Specific suggestions related to revising the rule to reference specific proprietary internal audit practice frameworks and clarifying who constitutes a qualified person by requiring that such persons possess appropriate education, relevant experience, and certain professional certifications that demonstrate competency in internal auditing or other relevant expertise. A few commenters suggested that the OCC clarify structural independence expectations. One commenter suggested that the OCC address governance as a distinct area of internal audit coverage; require that procedures be developed, implemented, and adhered to; ground internal audit monitoring in a risk-based approach; require clear ownership and timelines in management action plans; clarify internal audit's purview over all material risk areas in § 15.13; require all permitted payment stablecoin issuers to establish an internal audit function; and rely on internal audit work in carrying out its supervision activities. A few commenters recommended that the rule require third-party or independent audits, or at least that systems have the records or ability to be audited by an independent party.

After careful consideration of the comments, the OCC is adopting paragraph (a)(2) as proposed except for a clarifying edit to § 15.13(a)(2)(i). Internal audit systems are intended to provide objective, independent reviews of permitted payment stablecoin issuer activities, internal controls, and information systems to help the board of directors and management monitor and evaluate internal control adequacy and effectiveness. An internal audit system, among other items, is expected to independently test and review systems, as appropriate, related to (1) a permitted payment stablecoin issuer's compliance with the GENIUS Act and requirements in any final rules implementing the GENIUS Act; (2) payment systems; [109] and (3) third-party risk management. Well-planned, properly structured audit programs are essential to effective risk management and internal control systems. Effective internal audit programs are a critical defense against fraud and provide vital information to the board of directors about the effectiveness of internal control systems. An internal audit program's coverage includes evaluating compliance systems, safeguards around use of payment systems, and risks posed by relationships with and dependence on third parties. While it is important that internal audit functions be conducted by qualified persons with an appropriate level of independence from other business lines, the final rule does not mandate a particular organizational structure (for example, three lines of defense). Section 15.13(a)(2) does not prescribe a one-size-fits-all approach to risk management. Smaller permitted payment stablecoin issuers with a lower risk profile may be able to comply using a simpler, less delineated organizational structure, or may be able to outsource certain functions such as the internal audit function, while larger permitted payment stablecoin issuers, with higher risk profiles, may require organizational structures with more clearly delineated risk management functions, including internal audit personnel. The OCC's approach is grounded in the principles-based framework, and prescriptive requirements or references to proprietary frameworks or certifications are unnecessary for the rule text. Moreover, a permitted payment stablecoin issuer that is a subsidiary of an insured depository institution or that is a SPV may rely on the audit framework of its parent, provided the parent's framework complies with § 15.13. Final § 15.13 does not mandate

[109] A payment system is the mechanisms, rules, institutions, people, markets, and agreements that make the exchange of payments possible. *See* OCC, *Comptroller's Handbook,* ''Payment Systems,'' 99 (2021).

the use of an external audit, but such an audit may be appropriate for some permitted payment stablecoin issuers. Moreover, permitted payment stablecoin issuers must comply with the requirements of § 15.14, including applicable audit requirements.

Proposed § 15.13(a)(3) addressed interest rate risk and would have required a permitted payment stablecoin issuer to (i) manage interest rate risk in a manner that is appropriate to the size and complexity of the permitted payment stablecoin issuer and the complexity of its assets and liabilities and (ii) provide for periodic reporting to management and the board of directors regarding interest rate risk with adequate information for management and the board of directors to assess the level of risk.[110]

Several commenters discussed the interest rate risk provisions in proposed § 15.13(a)(3). Some commenters suggested that the OCC replace specific requirements in other provisions of the rule (*e.g.,* weighted average maturity in proposed § 15.11) with more robust risk management capabilities for interest rate risk (*e.g.,* stress testing, haircuts). Another commenter suggested that the OCC include interest rate risk, among other items, in capital requirements.

The OCC is adopting § 15.13(a)(3) as proposed with clarifying edits. While permitted payment stablecoin issuers hold reserve assets that may, depending on their type, have limited or no duration (*e.g.,* in the case of demand deposits), it is still important for permitted payment stablecoin issuers to be mindful of this risk, particularly in light of the role of interest rate risk in the previous failures of money market funds, whose investments, like those of permitted payment stablecoin issuers, were supposed to be limited to short-duration safe assets.[111] Increases in interest rates, particularly in short time periods, can reduce the value of interest-sensitive reserve assets, potentially impacting their fair value, marketability, and the permitted payment stablecoin issuer's ability to meet redemptions. Similarly, changes in interest rates can affect the earnings and long-term viability of permitted payment stablecoin issuers since their earnings may rely in substantial part on interest earned on reserve assets. Likewise, increases in interest rates may reduce the demand for payment stablecoins, particularly since permitted payment stablecoin issuers are prohibited from paying interest to stablecoin holders solely in connection with the holding, use, or retention of payment stablecoins under final § 15.10(c)(4).

Proposed § 15.13(a)(4) would have required a permitted payment stablecoin issuer's asset growth to be prudent and commensurate with a permitted payment stablecoin issuer's risk management capabilities, operational capacity, and staffing. A couple of commenters addressed this provision. One stated that the interest rate exposure, asset growth, asset quality, and earnings standards from 12 CFR part 30 should be adapted to focus on reserve composition, liquidity, redemption capacity, operational scalability, and run-risk management rather than traditional banking intermediation. Another suggested that the risk management standards should include an emphasis on growth management.

The OCC is adopting § 15.13(a)(4) as proposed with clarifying edits. While there are no hard limits to how quickly permitted payment stablecoin issuers may grow, permitted payment stablecoin issuers must ensure that growth does not undercut the permitted payment stablecoin issuer's capabilities to comply with the requirements of this rule and other applicable law. For example, rapid issuance of new payment stablecoins would require a rapid increase in reserves, and permitted payment stablecoin issuers must ensure that they maintain the capabilities to maintain these reserves in compliance with § 15.11 and maintain the ability to access and monetize the reserves in order to meet redemption requests. The approach in the final rule is sufficiently tailored to the business models of permitted payment stablecoin issuers and balances flexibility with the need to appropriately manage the risks associated with asset growth.

Proposed § 15.13(a)(5) would have required that a permitted payment stablecoin issuer establish and maintain a risk management system that is commensurate with the permitted payment stablecoin issuer's size and complexity and the nature and scope of its operations to evaluate and monitor earnings and ensure that earnings are sufficient to support operations and maintain the capital levels that would be required under subpart E of proposed part 15. Commenters generally supported requiring permitted payment stablecoin issuers to adopt risk management systems commensurate with their size and complexity and the nature and scope of their operations. Some commenters recommended including additional and more prescriptive requirements with respect to how a permitted payment stablecoin issuer monitors its earnings and other risks. Some commenters stated that the rule should include more bank-like risk management requirements.

The OCC is adopting § 15.13(a)(5) as proposed. To reflect the distinct characteristics of permitted payment stablecoin issuers, the standards on earnings in § 15.13(a)(5) do not include all the listed elements in paragraph II.H in appendix A to 12 CFR part 30, from which the earnings standard in proposed § 15.13(a)(5) was adapted. Permitted payment stablecoin issuers must nevertheless comply with the overarching requirement to evaluate and monitor earnings. It may be particularly important for permitted payment stablecoin issuers to evaluate the volatility and sustainability of earnings, since changes in short-term interest rates could have sudden impacts on permitted payment stablecoin issuer earnings. Section 15.13(a)(5) provides risk management requirements that are appropriately tailored to the business model of permitted payment stablecoin issuers. The OCC declines to include additional prescriptive requirements in the rule text in keeping with the principles-based approach to risk management under 12 CFR part 15 and section 4(a)(4)(A)(iv) of the GENIUS Act (12 U.S.C. 5903(a)(4)(A)(iv)).

Proposed § 15.13(a)(6) addressed insider and affiliate transactions and was intended to protect a permitted payment stablecoin issuer from entering into detrimental transactions with insiders or affiliates. Under proposed paragraph (a)(6)(i), a permitted payment stablecoin issuer would have been required to ensure that transactions between the permitted payment stablecoin issuer and insiders or affiliates: (1) are not excessive and do not pose significant risks of material financial loss; (2) are conducted on terms that are the same or at least as

[110] The GENIUS Act explicitly authorizes interest rate risk management standards under section 4(a)(4)(A)(iii) (12 U.S.C. 5903(a)(4)(A)(iii)) whereas section 4(a)(4)(A)(iv) (12 U.S.C. 5903(a)(4)(A)(iv)) authorizes the other requirements and standards proposed in § 15.13. The OCC proposed that interest rate risk management standards be included under proposed § 15.13 since it is a risk management standard like the other standards already included in proposed § 15.13.

[111] Mismanagement of interest rate risk was a leading cause of failure in two of the three money market funds in the United States in which the net asset value of the fund fell below $1 (also referred to as ''breaking the buck''), ultimately leading to liquidation. *See* In the Matter of John E. Backlund, et al., Investment Company Act Release No. 23639 (January 11, 1999) (SEC administrative order involving the Community Bankers U.S. Government Money Market Fund liquidated in 1994); In the Matter of First Multifund Advisory Corp. and Milton Mound, Initial Decision, File No. 3–5881 (December 29, 1982) (SEC initial decision involving the First Multifund for Daily Income liquidated in 1978).

favorable to the permitted payment stablecoin issuer as those prevailing at the time for comparable transactions with or involving non-insiders or non-affiliates (or in the absence of comparable transactions, are offered on terms and under circumstances that, in good faith, would be offered to, or would apply to non-affiliates or non-insiders); and (3) are appropriately documented and reviewed by the board of directors. Proposed paragraph (a)(6)(ii) would have required a permitted payment stablecoin issuer to appropriately monitor and validate compliance with these requirements.

Some commenters requested additional clarity with respect to the scope of transactions that were prohibited under proposed § 15.13(a)(6). Some stated that the OCC should define what is ''excessive.'' Others stated that the paragraph should incorporate additional provisions from Regulation W (12 CFR part 223) or Regulation O (12 CFR part 215). Others cautioned against using a more prescriptive or quantitative approach for insider and affiliate transactions. One commenter stated that the proposal needs further clarification, as the proposal used a principles-based standard that does not reflect differences among issuers. The commenter recommended separate rules for insured depository institution subsidiaries and nonbank permitted payment stablecoin issuers. Some commenters stated that § 15.13(a)(6) was appropriately scoped and tailored.

The final rule modifies paragraph (a)(6) to provide more clarity while maintaining a principles-based approach. First, paragraph (a)(6)(i) has been modified to include the phrase ''alone or in the aggregate'' to clarify the scope of transactions between the permitted payment stablecoin issuer and its affiliates or insiders to which paragraph (a)(6)(i) applies. In addition, the OCC has modified paragraph (a)(6)(i)(A) to remove the word ''excessive'' and provide greater specificity as to the types of transactions prohibited under the final rule. Paragraph (a)(6)(i)(A) of the final rule prohibits transactions that are quantitatively detrimental to the permitted payment stablecoin issuer in light of the business model of the permitted payment stablecoin issuer. The degree of risk and potential loss associated with one or more transactions is dependent on the business model of the permitted payment stablecoin issuer. As a result, the particular business model will be relevant to whether a particular transaction, a series of transactions, or transactions in the aggregate would be appropriate for a permitted payment stablecoin issuer to consider in the context of fulfilling its § 15.13 risk management obligations. A permitted payment stablecoin issuer that conducts insider and affiliate transactions consistent with sections 22(g), 22(h), 23A, and 23B of the Federal Reserve Act (12 U.S.C. 375a, 375b, 371c, 371c–1) and the implementing regulations of those sections (Regulations O and W) is likely to satisfy its § 15.13(a)(6)(i)(A) risk management obligations. Paragraph (a)(6)(i)(B) of the final rule incorporates the requirement from proposed § 15.13(a)(6)(i) that transactions between a permitted payment stablecoin issuer and its affiliates or insiders do not pose significant risks of material financial loss. Within the language proposed at § 15.13(a)(6)(i)(B), the OCC is making non-substantive clarifying edits. The OCC is adopting the remainder of § 15.13(a)(6) as proposed with renumbered paragraphs.

Proposed § 15.13(a)(7) addressed requirements for overseeing third-party service provider arrangements. Specifically, a permitted payment stablecoin issuer must (i) exercise appropriate due diligence in selecting its service providers; (ii) require its service providers by contract to implement appropriate measures designed to meet the requirements of part 15; and (iii) as appropriate, monitor its service providers to confirm they have satisfied their obligations under proposed part 15.

Several commenters requested clarification on third-party risk management practices. For example, a few requests for clarification concerned whether banks may oversee stablecoin-related programs through established program-management structures. A few comments requested clarification that regulated entities are responsible for compliance outcomes even when relying on third-party providers. Other comments requested clarification that evaluating a permitted payment stablecoin issuer's service provider oversight program requires assessing performance in addition to contractual provisions. Some commenters requested robust third-party risk management expectations given community banks' reliance on third-party technology partners in the digital assets space. Other commenters requested specific reference to third-party service providers in the rule, for example, by referencing the establishment and monitoring of service level agreements as a component of the contractual and monitoring requirements in § 15.13(a)(7).

The OCC is adopting § 15.13(a)(7) as proposed with two minor changes. The final rule includes a reference to compliance with the GENIUS Act in addition to compliance with part 15. Paragraph (a)(7) provides an appropriately robust and principles-based approach with respect to third-party risk management. As part of this monitoring, a permitted payment stablecoin issuer must review audits, summaries of test results, or other equivalent evaluations of its service providers. The final rule also moves the phrase ''by contract'' for clarity.

Proposed § 15.13(a)(8) would have required a permitted payment stablecoin issuer to (i) appropriately monitor and validate compliance with the requirements of § 15.11 and (ii) manage liquidity and concentration risk in a manner that is appropriate to the business model and risk profile of the permitted payment stablecoin issuer.

As discussed above, several commenters recommended that the OCC use a stress testing framework in place of the prescriptive and quantitative requirements in proposed § 15.11. Consistent with this feedback, the OCC is adopting § 15.13(a)(8) as proposed but is also adopting new § 15.13(a)(9), which provides monetization and stress testing requirements. Under the new § 15.13(a)(9)(i), a permitted payment stablecoin issuer must ensure that the reserve asset portfolio, taken as a whole, is capable of supporting timely redemption under both normal and stressed conditions, including by conducting analyses considering a range of redemption scenarios.[112] Under § 15.13(a)(9)(ii), a permitted payment stablecoin issuer must also maintain and demonstrate to the OCC the ability to reliably access and monetize reserve assets necessary to meet redemption requests in normal and stressed conditions, taking into account: (A) market access; (B) financing channels; (C) haircut assumptions; and (D) operational readiness. Additionally, under § 15.13(a)(9)(iii), a permitted payment stablecoin issuer must engage in regular stress testing of the reserve asset portfolio in order to confirm that the portfolio of reserve assets will continue to equal or exceed outstanding issuance value in stressed conditions,

[112] Permitted payment stablecoin issuers should consider the makeup of their reserve asset portfolio in light of their respective business models. For certain issuers it may be appropriate to hold reserves comprising money to standing to the credit of an account with a Federal Reserve Bank, funds held as demand deposits, or funds in share accounts that are payable on demand beyond the amount required under § 15.11(c)(2).

including in significant positive interest rate scenarios.

The OCC is also adding new § 15.13(a)(10) which addresses the risk management of foreign exchange risk. The proposal asked whether the OCC should explicitly provide that managing foreign exchange risk is a permissible activity for the issuers of stablecoins that are not denominated in the United States dollar and whether to include limitations relating to the management of foreign exchange risk. Commenters generally favored permitting foreign exchange risk management as a permitted activity. Commenters noted that permitting foreign exchange risk management would reduce risk. Some commenters emphasized that the final rule should not permit speculation.

Consistent with this feedback, the final rule requires foreign exchange risk management for issuers that issue payment stablecoins that are denominated in monetary value other than the United States dollar, subject to certain conditions designed to ensure that the foreign exchange risk is appropriately hedged and that the permitted payment stablecoin issuer does not use its foreign exchange risk management program as a means of engaging in impermissible speculation. Under the final rule, a permitted payment stablecoin issuer that issues a payment stablecoin denominated in monetary value other than the United States dollar must hedge any residual foreign exchange risk identified pursuant to the monetization and stress testing requirements of § 15.13(a)(9) in accordance with § 15.13(a)(10). Section 15.13(a)(10)(ii) states that the permitted payment stablecoin issuer: (A) may not take anticipatory positions or maintain residual positions in the instruments used to hedge the permitted payment stablecoin issuer's foreign exchange risk, except as necessary for the orderly establishment or unwinding of a hedging position; (B) must hedge to retain no more than minimal foreign exchange risk; (C) must not use foreign exchange risk management as a means to speculate, including with respect to the appreciation or depreciation of any national currency; and (D) must have in place policies and procedures that appropriately manage its foreign exchange risk and any attendant risks, including risks relating to the posting or collection of margin, foreign exchange counterparties, and basis risk. The policies and procedures must include adherence to the below-described § 15.13(a)(10)(iii) and (iv). Under § 15.13(a)(10)(iii), before a permitted payment stablecoin issuer engages in foreign exchange risk management, it must provide prior notice to the OCC through its supervisory office and receive the OCC's approval. Additionally, under § 15.13(a)(10)(iv), the permitted payment stablecoin issuer must adhere to any limit or other condition to the OCC's approval under § 15.13(a)(10)(iii). Such limits or conditions are likely to concern how the permitted payment stablecoin issuer remains both capable of meeting redemption requests in a timely manner and fully reserved.

Notably, while a permitted payment stablecoin issuer that issues a non-dollar-denominated payment stablecoin must engage in foreign exchange risk management under the final rule, foreign exchange derivatives are not permitted reserve assets under section 4(a)(1)(A) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)). Accordingly, the fair value of foreign exchange derivatives used to hedge a permitted payment stablecoin issuer's foreign exchange risk is not included in the reserve asset value of the permitted payment stablecoin issuer, and a permitted payment stablecoin issuer may need to hold a buffer to ensure that its non-dollar-denominated payment stablecoins remain properly reserved. Such derivatives may, however, be relevant to the permitted payment stablecoin issuer's liquidity risk management and ability to timely redeem payment stablecoins. A permitted payment stablecoin issuer that issues a non-dollar-denominated stablecoin should consider and address the effectiveness of its hedging instruments and how such instruments may behave in times of stress. For example, the need to rapidly unwind and reapply hedges in times of stress may limit the effectiveness of the permitted payment stablecoin issuer's hedging strategy. Accordingly, permitted payment stablecoin issuers should carefully consider their ability to manage foreign exchange risk before issuing a non-dollar-denominated payment stablecoin. Likewise, the OCC expects it would closely review such activities, both as proposed and on an ongoing basis.

Proposed § 15.13(b) addressed risk management requirements relating to information technology and security. Several commenters suggested addressing risk management expectations for specific technologies, such as smart contracts or super intelligence. For example, a few commenters suggested requiring smart contract controls governing activities such as minting, burning, and freezing. Other commenters suggested establishing specific requirements governing the use of super intelligence, given that, as the commenters noted, its use may become commonplace among permitted payment stablecoin issuers in their compliance programs. The final rule includes a reference to smart contracts but does not impose detailed requirements with respect to particular technologies. This level of detail is consistent with the GENIUS Act and the principles-based and technology-neutral approach that 12 CFR part 15 is taking toward risk management.

Proposed § 15.13(b)(1) provided that a permitted payment stablecoin issuer must implement a comprehensive written information security risk and control framework, including a program that assesses and manages information technology and information security risks. The OCC is finalizing § 15.13(b)(1) as proposed.

Under proposed § 15.13(b)(2), the board of directors of the permitted payment stablecoin issuer, or an appropriate board committee, would have been required to approve the information technology and security program described in paragraph (b)(1). The board would have been required to oversee the development, implementation, and maintenance of the program, including the appointment of a qualified Information Technology and Security Officer. The oversight required of the board or committee would have included assigning specific responsibility for program implementation and review of program-related reports.

A few commenters supported requiring a permitted payment stablecoin issuer to have a Chief Risk Officer or Chief Audit Executive in addition to the Information Technology and Security Officer. Some commenters suggested that it is more important for the rule to require permitted payment stablecoin issuers to have officers and employees with the responsibilities of certain roles, such as a Chief Risk Officer, rather than requiring a specific officer or role. A few commenters suggested requiring a Chief Risk Officer with explicit responsibilities distinct from the Information Technology and Security Officer, for example, requiring a Chief Risk Officer with explicit responsibility for protocol-level exposure above a materiality threshold. Another commenter suggested that a subsidiary permitted payment stablecoin issuer should be able to satisfy any requirement for a Chief Risk Officer if the subsidiary's parent has a Chief Risk Officer. Another commenter suggested that a tailored approach to requiring a Chief Risk Officer or Chief Audit Executive ought to be adopted,

where the requirements should be proportionate to the size and complexity of the issuer and consistent with standards applicable to comparable financial institutions.

The OCC is adopting § 15.13(b)(2) with a modification to refer to ''a qualified individual responsible for the program'' and deleting the reference to an ''Information Technology and Security Officer.'' The OCC agrees with some commenters that it is more important for a permitted payment stablecoin issuer to have qualified individuals with the relevant responsibilities for overseeing the information technology and security program rather than to prescribe certain required titles or role names. The OCC is not requiring permitted payment stablecoin issuers to have additional named roles at this time. Permitted payment stablecoin issuers should generally create organizational roles to appropriately manage their operations. As discussed above, a permitted payment stablecoin issuer that is a subsidiary of an insured depository institution may rely on the parent's risk management framework, including certain shared employees, provided that the parent's risk management framework addresses the requirements of part 15 and the management of the permitted payment stablecoin issuer plays a meaningful role in the risk management framework related to the permitted payment stablecoin issuer's activities.

Under proposed § 15.13(b)(3), a permitted payment stablecoin issuer's information technology and security program would have needed to include (i) an inventory and classification of assets, processes, and sensitivity of data; (ii) controls supporting and safeguarding sensitive information and processes; (iii) evaluation, validation, and reporting processes to ensure that key information technology systems and controls, including smart contracts, are operating as intended; (iv) periodic independent testing; and (v) a comprehensive and effective incident identification and assessment process and incident response program.

Several commenters suggested various specific information security requirements that, they argued, would be broadly appropriate for payment stablecoin issuers. These commenters' descriptions indicate that these reflect the current and latest standards given the existing operational models and technology related to payment stablecoins. The OCC is adopting § 15.13(b)(3) as proposed. The OCC believes that the requirements of § 15.13(b)(3) are appropriately principles-based and technology-neutral. This approach will help ensure that the requirements remain relevant as relevant technology and best practices continue to develop.

Under proposed § 15.13(b)(4), a permitted payment stablecoin issuer's information technology and security program would have had to include administrative, technical, and physical safeguards designed to (i) ensure the security and confidentiality of records containing nonpublic personal information about a customer; (ii) protect against any anticipated threats or hazards to the security or integrity of such records; (iii) protect against unauthorized access to or use of such records that could result in substantial harm or inconvenience to any customer; and (iv) ensure the proper disposal of such records.

A few commenters suggested requiring permitted payment stablecoin issuers to adopt privacy-preserving technologies to limit public disclosure of information. Some commenters suggested that demonstrating adoption of privacy-enhancing technologies should be sufficient to show compliance with risk management information security requirements. The OCC is not mandating the use of any particular privacy-enhancing technology in the final rule, consistent with the OCC's technology-neutral and principles-based approach to § 15.13. Permitted payment stablecoin issuers must ensure that their activities comply with § 15.13(b) and applicable BSA/AML-related requirements. Whether a particular privacy-enhancing architecture can comply with both provisions will depend on the facts of that particular architecture. Accordingly, the OCC is not commenting generally on whether a particular architecture is permitted or prohibited.

Because § 15.13 must be principles-based and technology-neutral, as described above, the OCC believes that imposing requirements surrounding privacy-enhancing technology would be inappropriate. The OCC notes that § 15.13(b) does include requirements concerning the security of customer information, including developing an information technology and security program, ensuring the security and confidentiality of records containing nonpublic personal information about a customer, protecting against any anticipated threats or hazards to the security or integrity of records that could result in harm or inconvenience to any customer, and ensuring the proper disposal of such records. The OCC is adopting paragraph (b)(4) with one clarifying change. The final rule includes a reference to sensitive customer information, in addition to nonpublic personal information. Sensitive customer information will generally be a subset of nonpublic personal information. The final rule clarifies that, to the extent there is sensitive customer information that is not nonpublic personal information, the permitted payment stablecoin issuer must nonetheless take appropriate steps to ensure the security and confidentiality of such information.

Proposed § 15.13(b)(5) provided that a permitted payment stablecoin issuer must develop, implement, and maintain appropriate measures to ensure secure handling of digital assets, including private key management, backup, and recovery, incorporating: (i) relevant technical, operational, strategic, market, legal, and compliance considerations relating to each digital asset and its underlying ledger; and (ii) material developments specifically related to supported digital assets and their underlying ledgers.[113]

A commenter described key backup and recovery procedures with continuity exercises as one facet of a broader risk management framework. Another commenter suggested that the rule emphasize robust practices for change management alongside other management tools like pre-implementation testing. A separate commenter asked for additional guidance on change management and information security in general. The OCC is adopting § 15.13(b)(5) as proposed. The OCC believes that the requirements of the final rule are appropriately principles-based and technology-neutral. This approach will help ensure that the requirements remain relevant as relevant technology and best practices continue to develop. The OCC anticipates issuing additional guidance concerning various provisions of the GENIUS Act and will consider what additional guidance concerning change management and information security may be appropriate.

Proposed § 15.13(b)(6) would have required that a permitted payment

[113] If a permitted payment stablecoin issuer holds digital assets on a customer's behalf, the permitted payment stablecoin issuer's risk management practices must reflect this activity. Consistent with the July 14, 2025 *Joint Statement on Risk-Management Considerations for Crypto-Asset Safekeeping,* a permitted payment stablecoin issuer holding digital assets on a customer's behalf would be required to maintain risk management practices, and information security practices in particular, that reflect the permitted payment stablecoin issuer's capacity to understand a complex and evolving asset class, ability to ensure a strong control environment, and appropriate contingency plans to address unanticipated challenges in effectively providing services to customers.

stablecoin issuer monitor, evaluate, and adjust, as appropriate, its information technology and security program in light of any relevant changes in technology, the sensitivity of its customer information, internal or external threats, and the permitted payment stablecoin issuer's own changing business arrangements, such as mergers and acquisitions, alliances, joint ventures, third-party arrangements, and changes to applicable information systems. Some commenters recommended adopting a more prescriptive approach that would incorporate references to more specific types of technology and audits. Others stated that compliance with recognized industry security and risk management standards serves as evidence of compliance with § 15.13(b)(6). The OCC is adopting § 15.13(b)(6) as proposed with clarifying edits. Instead of the proposed language where § 15.13(b)(6) was titled ''Adjust the program'' and described the obligation to ''monitor, evaluate, and adjust,'' the final rule clarifies the requirement to both monitor and adjust through an edited title and a new structure: final § 15.13(b)(6)(i) focuses the proposed language on monitoring, and the new § 15.13(b)(6)(ii) addresses the need to evaluate and adjust the program in light of that monitoring. The OCC believes that the requirements of the final rule are appropriately principles-based and technology-neutral.

Proposed § 15.13(b)(7)(i) would have required a permitted payment stablecoin issuer to conduct a reasonable investigation when it became aware of an incident of unauthorized access to sensitive customer information, including a customer's private key, to determine the likelihood that the information had been or would be misused. If the permitted payment stablecoin issuer determined that misuse of customer information had occurred or was reasonably possible, the permitted payment stablecoin issuer would have needed to notify the customer or customers affected or possibly affected as well as the OCC as soon as possible. Customer notice must be delayed if an appropriate law enforcement agency determined that notification would interfere with a criminal investigation and provided the permitted payment stablecoin issuer with a written request for the delay. If delayed by investigation, the permitted payment stablecoin issuer would have needed to notify its customers of the misuse or possible misuse of customer information as soon as law enforcement notified the permitted payment stablecoin issuer that notification would no longer interfere with the investigation. Proposed § 15.13(b)(7)(ii) recognized that there may be situations where the permitted payment stablecoin issuer determines that a group of files has been accessed improperly but is unable to identify which specific customers' information has been accessed. If the circumstances of the unauthorized access led the permitted payment stablecoin issuer to determine that misuse of the information was reasonably possible, it would have needed to notify all customers in the group.

Several commenters discussed the customer notification requirements. Some commenters suggested that due to the broad proposed definition of customer, the customer notification requirements were impractical. Some commenters also requested clarity as to the definition of ''sensitive customer information.'' Specifically, commenters requested clarification that GLBA data privacy protections apply by defining ''sensitive customer information'' or replacing that term with ''nonpublic personal information.'' The final rule, in § 15.2, narrows the definition of customer substantially. Accordingly, the OCC is adopting § 15.13(b)(7) with non-substantive adjustments. Specifically, the final rule replaces a reference to ''a group of files'' with ''the files of a group of customers'' for additional clarity. Additionally, the OCC is making clarifying edits, such as adding more precise wording to describe the actions of the relevant law enforcement agency. The OCC is also separating the proposed § 15.13(b)(7)(i) into final § 15.13(b)(7)(i)(A) through (C).

Proposed § 15.13(b)(8) provided that a permitted payment stablecoin issuer's information technology and security program must include measures to ensure continuity of operations and recover critical functions in the face of disruptions, including by business impact analyses, testing of vulnerabilities, and testing with critical service providers.

Some commenters stated that § 15.13(b)(8) should be modified to include specific additional items such as ongoing monitoring of critical service provider performance. The language of § 15.13(b)(8) is broad enough to include such monitoring to the extent necessary to ensure continuity of operations.

The OCC is adopting § 15.13(b)(8) with two modifications. First, the final rule omits the phrase ''in the face of disruptions'' because the phrase was not necessary to include. Recent corporate information technology system failures have demonstrated the importance of measures to maintain operational resilience. Permitted payment stablecoin issuers should ensure that they have sufficient controls to reliably address operational issues that may arise with burning and minting new stablecoins and should conduct appropriate due diligence before supporting any new distributed ledger. Operational resilience will be particularly important for permitted payment stablecoin issuers, who will depend on customer confidence in the stable value and availability of their stablecoins. Second, the final rule changes ''testing of vulnerabilities'' to ''testing for vulnerabilities'' to clarify the purpose of the testing.

5. Audits, Reports, and Supervision (§ 15.14)

a. Overview of Changes From Proposed Rule to Final Rule for § 15.14

The OCC is adopting § 15.14 as proposed with certain modifications described below. The OCC is adopting § 15.14(a) through (c) as proposed.

The OCC is revising paragraph (d) to shorten the length of the extended examination cycles to an ''18- to 24-month period'' from an ''18- to 36-month period.'' The OCC is further revising § 15.14(d)(3) by adding '', together with any affiliated permitted payment stablecoin issuers,'' and removing ''or less than $25 billion in total monthly trading volume.'' The OCC is making a technical change to the heading in paragraph (d), using the word ''examination'' instead of the word ''exam.'' The OCC is adopting the remainder of § 15.14(d) as proposed.

The OCC is adopting § 15.14(e) through (i) as proposed except for separating proposed § 15.14(i) into § 15.14(i)(1) through (3) with minor technical edits.

The OCC is revising § 15.14(j)(4) to limit the reporting requirement to ''Federal qualified nonbank payment stablecoin issuers'' by adding the following language to the beginning of the subparagraph, ''In the case of a Federal qualified nonbank payment stablecoin issuer.'' The OCC is adopting the remainder of § 15.14(j) as proposed.

The OCC is revising § 15.14(k) by removing the reference to the board of directors in the first sentence, which would have required the board of directors to make all compliance certifications. Instead, the OCC is adding an additional sentence at the end of the paragraph, which provides that the initial certification must be provided by the permitted payment stablecoin issuer's board of directors, whereas subsequent certifications may be

provided by the issuer's Bank Secrecy Act officer, board of directors, or an appropriate committee of the board of directors. The OCC is also revising § 15.14(k) to replace the phrase ''defined in § 15.30'' with ''set forth in § 15.30.'' Furthermore, the OCC is separating proposed § 15.14(k) into § 15.14(k)(1) and (2).

The OCC is revising § 15.14(l) by replacing ''$50 billion in outstanding issuance value'' with ''$50 billion in total consolidated outstanding issuance value'' and making a clarifying edit. The OCC is also adding the phrase ''rules and'' before ''auditing standards'' in § 15.14(l)(1) and making a clarifying edit to § 15.14(l)(2)(ii). The OCC is renumbering paragraph (l)(2)(iii) as (l)(3) and renumbering the rest of paragraph (l)(3) appropriately. The OCC is adopting the remainder of § 15.14(l) as proposed.

The OCC is adopting § 15.14(m) through § 15.14(o) as proposed with clarifying edits in § 15.14(m)(1).

b. Examinations

i. Description of the Proposed Rule

Section 6(a)(1) of the GENIUS Act (12 U.S.C. 5905(a)(1)) authorizes primary Federal payment stablecoin regulators, including the OCC, to supervise permitted payment stablecoin issuers, as defined in the statute, that are not State qualified payment stablecoin issuers with an outstanding issuance of less than $10 billion in payment stablecoins. Section 6(a)(3) of the GENIUS Act (12 U.S.C. 5905(a)(3)) authorizes the OCC to examine permitted payment stablecoin issuers to assess the nature of their operations and the financial condition of the permitted payment stablecoin issuer; the financial, operational, technological, compliance, and other risks associated with the permitted payment stablecoin issuer that may pose a threat to the safety and soundness of the permitted payment stablecoin issuer or the stability of the financial system of the United States; and the systems of the permitted payment stablecoin issuer for monitoring and controlling the risks. Pursuant to section 6(a)(4)(C) of the GENIUS Act (12 U.S.C. 5905(a)(4)(C)), the OCC may only request examinations at a cadence and in a format that is similar to that required for similarly situated entities regulated by the OCC.

Proposed § 15.14(a) provided that the OCC will conduct a full-scope examination of every permitted payment stablecoin issuer subject to its supervision at least once during each 12-month period, unless otherwise specified in proposed § 15.14(d).

Consistent with the OCC's statutory authority to supervise permitted payment stablecoin issuers, proposed § 15.14(d) would have provided the OCC with the option to examine some permitted payment stablecoin issuers on an 18- to 36-month cycle, as determined by the OCC, in its sole discretion, if the issuers satisfied the following conditions: (1) the permitted payment stablecoin issuer currently is not subject to a formal enforcement proceeding or order; (2) no person acquired control, as specified in § 15.14(m), of the permitted payment stablecoin issuer during the preceding 12-month period in which a full-scope examination would have been required but for proposed § 15.14(d); (3) the permitted payment stablecoin issuer has an outstanding issuance value of less than $1 billion or less than $25 billion in total monthly trading volume; and (4) the permitted payment stablecoin issuer is in compliance with all of the reserve requirements set forth in proposed § 15.11 and the reporting requirements in proposed § 15.14. The proposed criteria for certain permitted payment stablecoin issuers to qualify for an 18- to 36-month examination cycle were similar to the factors the OCC considers for national banks and Federal savings associations under 12 CFR 4.6(b).

Consistent with the OCC's statutory authority under the GENIUS Act and the OCC's supervisory authority over national banks and Federal savings associations, proposed § 15.14(e) would have allowed the OCC to conduct examinations of permitted payment stablecoin issuers as frequently as the agency deemed necessary, including examinations of a limited scope.[114] The OCC proposed this provision to ensure the agency had a clear mechanism, consistent with its statutory authority, to conduct ad hoc examinations when emergencies or risks to the safety and soundness of a permitted payment stablecoin issuer or the financial stability of the United States required the agency to deviate from its routine 12- or 18- to 36-month examination cycle.

Proposed § 15.14(b) would have required that, upon request, permitted payment stablecoin issuers grant OCC examiners prompt and complete access to all officers, directors, employees, agents, and relevant books, records, or documents of any type. The OCC, through its examination authority over national banks and Federal savings associations, has authority to access the officers, agents, and books and records of these institutions.[115] The books and records of a permitted payment stablecoin issuer include, but are not limited to, information retained on distributed ledgers. Sections 6(a)(1), (3), and (4) of the GENIUS Act (12 U.S.C. 5905(a)(1), (3), and (4)) give the OCC similar authority to supervise and examine permitted payment stablecoin issuers. Proposed § 15.14(b) would have applied the OCC's examination authority to permitted payment stablecoin issuers in the same manner that it is applied to national banks and Federal savings associations. Additionally, proposed § 15.14(c) would have clarified that the OCC may conduct examinations either on site or remotely. Proposed § 15.14(f) would have provided that all permitted payment stablecoin issuers must maintain a complete set of books and records in English. Proposed § 15.14(g) would have required all permitted payment stablecoin issuers to develop and implement a records retention policy that ensured the permitted payment stablecoin issuer could demonstrate compliance with the GENIUS Act, this part, and all applicable laws and regulations.

ii. Description of Comments and Final Rule

Many commenters submitted general comments about the proposed examination framework and requested that the OCC modify or incorporate various concepts into the proposed examination framework. The OCC received several comments related to the imposition of uniform standards on permitted payment stablecoin issuers. Specifically, several commenters stated that banks operate in a highly regulated environment, and if permitted payment stablecoin issuers offer bank-like products, they should also be subject to the same supervisory expectations to which banks are subject. One commenter also stated that inconsistent standards or permitted payment stablecoin issuer-specific safe harbors risk creating perceived tiers of payment stablecoin quality. The commenter further added that keeping standards high and uniform protects the global ''singleness'' of U.S.-issued dollar stablecoins and urged the OCC to establish uniform examination, reporting, capital, and other prudential requirements. Another commenter claimed that nonbank stablecoin issuers present materially different supervisory considerations and argued that the OCC should apply more stringent, standalone audit, reporting, and transparency

[114] *See* 12 U.S.C. 5905(a)(3).

[115] 12 U.S.C. 481 and 1464.

requirements to nonbank issuers to account for the absence of consolidated supervision, ongoing examination, and access to the Federal banking safety net. The commenter further argued that applying uniform requirements across bank and nonbank issuers would fail to recognize these differences and could place community banks at a competitive disadvantage despite their significantly higher level of existing regulatory oversight.

After considering these comments, the OCC is finalizing § 15.14 as proposed with certain minor changes and clarifications. The overall framework continues to recognize the key differences between the business models of banks and permitted payment stablecoin issuers while ensuring that the OCC receives sufficient information from permitted payment stablecoin issuers to carry out its supervisory duties under the GENIUS Act.

One commenter stated that, where a technology provider has been examined by another Federal regulator in connection with stablecoin services, the OCC should consider that examination work as part of its own independent evaluation. The commenter stated that this approach would reduce duplicative burden on community banks and their technology partners without compromising OCC supervisory authority. The OCC takes seriously its obligation to reduce duplication in supervision and regulation and has substantial experience coordinating with other regulators. The OCC will take appropriate steps to minimize duplicative efforts while supervising permitted payment stablecoin issuers, and therefore it is not necessary to change the final rule in response to this comment.

Another commenter stated that the supervisory framework for permitted payment stablecoin issuers should align, to the greatest extent possible, with existing supervisory and regulatory structures applicable to banking organizations and financial institutions. Where entities are already subject to comprehensive oversight with respect to capital, liquidity, operational resilience, and risk management, additional requirements should be designed to complement, rather than duplicate, those obligations. As required by statute, the OCC will pursue examination and supervisory policies that maximize efficiency and minimize duplication, including, where appropriate, coordinating examination activities and leveraging existing supervisory frameworks.[116]

[116] *See* 12 U.S.C. 5905(a)(4)(B).

Another commenter stated that the compliance window is very short, that the statutory penalties starting in January 2027 will mount quickly, and that permitted payment stablecoin issuers are likely to fail as a result. The effective date is set by section 20 of the GENIUS Act (12 U.S.C. 5901 note (effective date)). The OCC will monitor permitted payment stablecoin issuers' compliance with the GENIUS Act and part 15 and take enforcement actions as appropriate in light of the facts and circumstances of any particular violation. While the OCC recognizes that the time period between the issuance of this final rule and the effective date of the GENIUS Act is short, permitted payment stablecoin issuers should take seriously their obligations to comply with the provisions of the GENIUS Act as they become effective. Moreover, as discussed in more detail below, prospective permitted payment stablecoin issuers with pending applications with the OCC on the effective date of the Act may submit a request for a waiver not to exceed 12 months.

One commenter recommended that the OCC clarify that it has exclusive authority to exercise visitorial powers with respect to subsidiaries of national banks in the final rule. Under section 6(a)(1) of the GENIUS Act (12 U.S.C. 5905(a)(1)), a permitted payment stablecoin issuer that is not a State qualified payment stablecoin issuer with an outstanding issuance value of less than $10 billion ''shall be subject to supervision by the appropriate primary Federal payment stablecoin regulator.'' As described in the preamble section discussing Self-Executing Provisions, the OCC will not include provisions related to the visitorial powers in the final rule. Permitted payment stablecoin issuers are encouraged to discuss any issues or questions as they arise related to the OCC's visitorial authority.

Another commenter recommended that the OCC not mandate the public disclosure of proprietary models, algorithms, thresholds, schemas, or decision logic. No provision in the proposal mandates the public disclosure of proprietary models, algorithms, thresholds, schemas, or decision logic, so the OCC is not making any changes to the final rule to address this comment.

Two commenters stated that the OCC should provide supervisory guidance or examination manuals specific to payment stablecoin issuers over time to promote transparency, consistency, and predictability in examination practices as the regime matures. The OCC plans to issue supervisory guidance and examination manuals specific to permitted payment stablecoin issuers, as necessary.

One commenter recommended that the OCC adopt an outcomes-based examination framework focused on customer protection, transaction integrity, and compliance rather than specific technologies. The commenter stated that this approach would avoid regulatory lock-in, preserve flexibility as technology evolves, and allow execution quality to be assessed through the Uniform Financial Institutions Rating System (*i.e.,* CAMELS) component analysis supplemented by stablecoin-specific examination procedures. Another commenter urged the OCC to clarify that privacy-preserving distributed ledger architectures would be permissible under the proposal, so long as they remain verifiable and consistent with reserve, audit, reporting, and examination requirements. The commenter stated that such clarification would reduce uncertainty, remove a barrier to adopting more privacy-protective infrastructure, and support consumer privacy.

First, no provision in the proposed rule expresses any preference for one technological approach or protocol over another. The OCC intentionally adopted a technology-neutral approach in the proposed rule, consistent with the agency's general approach towards technology, and this approach will continue in the final rule. Second, consistent with this approach, the OCC declines to include any language regarding the permissibility of privacy-preserving architectures. If a permitted payment stablecoin issuer's distributed ledger architecture would allow the permitted payment stablecoin issuer to comply with the requirements of the GENIUS Act and 12 CFR part 15, the OCC would generally regard such architecture as permissible. The OCC is not making any changes to the final rule to address this comment.

After careful consideration of the comments received, the OCC is finalizing the examination provisions in § 15.14 with certain modifications described below.

Proposed § 15.14(a) provided that the OCC would conduct a full-scope examination [117] of each permitted

[117] A full-scope examination refers to the comprehensive review of a permitted payment stablecoin issuer's financial condition, risk management practices, compliance with laws and regulations, and overall safety and soundness. The OCC's proposed exercise of its examination authority over permitted payment stablecoin issuers mirrors the OCC's current examination authority

Continued

payment stablecoin issuer subject to OCC supervision at least once every 12-month period, unless the permitted payment stablecoin issuer qualifies for an extended cycle under § 15.14(d). One commenter stated that, if the OCC required each permitted payment stablecoin issuer to issue only a single brand of payment stablecoin, maintaining multiple permitted payment stablecoin issuers would result in increased and duplicative examination and assessment costs. The commenter stated that under proposed § 15.14(a), which provided that the OCC ''will conduct a full-scope examination of every permitted payment stablecoin issuer subject to its supervision at least once during each 12-month period, unless otherwise specified in proposed § 15.14(d),'' given the common risk management and back-office functions of white-label issuers today, it is not clear what benefit multiple examinations across affiliated permitted payment stablecoin issuers would accomplish. The commenter further stated that those costs were not considered in the proposal's economic analysis. This analysis was based on the proposed rule, which did not mandate that each permitted payment stablecoin issuer be limited to a single brand of payment stablecoin. As discussed above, and as required by statute, the OCC will pursue examination and supervisory policies that maximize efficiency and minimize duplication, including, where appropriate, coordinating examination activities and leveraging existing supervisory frameworks.[118] The OCC is adopting this provision as proposed. With respect to the comments concerning limiting each permitted payment stablecoin issuer to a single brand of payment stablecoin, the OCC has elected not to impose such a requirement by regulation. The OCC has, however, made targeted edits throughout part 15, including in § 15.14, to accommodate business models that use multiple issuer SPVs. For such a business model, the OCC intends to examine the family of issuer SPVs at once as part of a single examination to reduce burden.

Proposed § 15.14(b) would have required permitted payment stablecoin issuers, upon OCC request, to provide prompt and complete access to all officers, directors, employees, agents, and all relevant books, records, and documents of any type. One commenter stated that if a permitted payment stablecoin issuer has a parent company, the OCC must ensure that the agency has appropriate visibility into and cooperation from the parent company, including access to relevant records and financial information. The OCC notes that its examination and supervisory authorities extend to information necessary to assess the condition, risks, and compliance of the permitted payment stablecoin issuer. Where relevant information is maintained by a parent company, the OCC expects the issuer to ensure that such information is made available to the agency consistent with applicable law and supervisory requirements.[119] The agency is adopting § 15.14(b) as proposed.

Proposed § 15.14(c) would have authorized the OCC to conduct examinations of each supervised permitted payment stablecoin issuer either on-site or remotely. This subsection preserved supervisory flexibility as to examination modality while maintaining the examination requirement established in § 15.14(a). The agency did not receive any comments related to this section and is adopting this provision as proposed.

Proposed § 15.14(d) would have provided the OCC with the option to examine some permitted payment stablecoin issuers on an 18- to 36-month cycle, as determined by the OCC, in its sole discretion, if the issuers satisfied the following conditions: (1) the permitted payment stablecoin issuer currently is not subject to a formal enforcement proceeding or order; (2) no person acquired control, as specified in § 15.14(m), of the permitted payment stablecoin issuer during the preceding 12-month period in which a full-scope examination would have been required but for proposed § 15.14(d); (3) the permitted payment stablecoin issuer has an outstanding issuance value of less than $1 billion or less than $25 billion in total monthly trading volume; and (4) the permitted payment stablecoin issuer is in compliance with all of the reserve requirements set forth in proposed § 15.11 and the reporting requirements in proposed § 15.14. The proposed criteria for certain permitted payment stablecoin issuers to qualify for an 18- to 36-month examination cycle were similar to the factors the OCC considers for national banks and Federal savings associations under 12 CFR 4.6(b). In the proposal, the agency sought feedback on whether the criteria for eligibility for an extended examination cycle were appropriately calibrated and whether the timeframe for an extended examination cycle was appropriate.

A number of commenters expressed support for the extended examination cycle available to smaller issuers. Two commenters stated that providing for an extended examination cycle would encourage new permitted payment stablecoin issuers to enter the market by reducing the regulatory burden on smaller and less complex institutions that are in full compliance with reserve and reporting requirements. Two other commenters stated that the proposed timeframe for an extended examination cycle is appropriate, provided that the OCC applies these criteria flexibly and on a risk-sensitive basis rather than as a mechanical threshold test and retains supervisory discretion to shorten an issuer's examination cycle where emerging risks, market events, or supervisory concerns warrant more frequent review. The commenters recommended that the OCC adopt a broader risk-based assessment framework under which eligibility for an extended examination cycle may also take into account relevant qualitative and quantitative supervisory indicators, including: redemption volatility and concentration of redemption activity; reserve asset composition and liquidity profile; operational and governance maturity; prior examination findings and compliance history; and complexity of group structure and outsourcing arrangements.

Two commenters stated that waiting multiple years between examinations of a permitted payment stablecoin issuer is unreasonable. One of the commenters expressed support for supervising permitted payment stablecoin issuers in a manner similar to insured depository institutions but argued that due to the rapid speed at which the underlying technology can evolve, extending the examination cycle beyond 18 months is not prudent.

After consideration of the comments regarding the extended examination cycle, the OCC is shortening the extended examination cycle in § 15.14(d) to 18 to 24 months from 18 to 36 months. The 18- to 24-month examination cycle is appropriate because, as discussed below, it will be supplemented by weekly and quarterly reporting from each permitted payment stablecoin issuer. This reporting will allow the agency to conduct continuous

over national banks and Federal savings associations. This mirroring ensures the OCC is requesting examinations and reports at a cadence and in a format that is similar to that required for similarly situated entities the OCC regulates, as required by section 6(a)(4)(C) of the GENIUS Act (12 U.S.C. 5905(a)(4)(C)).

[118] *See* 12 U.S.C. 5905(a)(4)(B).

[119] The OCC notes that it has examination authority with respect to certain affiliates of national banks and Federal savings associations. *See* 12 U.S.C. 481; 12 U.S.C. 1464, 12 U.S.C. 1820(d). In addition, the OCC notes that, under § 15.14(m), the OCC would be made aware of certain changes in control with respect to a permitted payment stablecoin issuer.

monitoring of the condition of permitted payment stablecoin issuers, which reduces the need for more invasive supervisory tools such as full- or limited-scope examinations. In the final rule, the OCC maintains its authority to deny a permitted payment stablecoin issuer an extended examination cycle and to adjust the length of a permitted payment stablecoin issuer's examination cycle, including restoring the permitted payment stablecoin issuer to a 12-month examination cycle where appropriate.

The OCC has also opted to remove ''trading volume'' as a factor for whether a permitted payment stablecoin issuer qualifies for an extended examination cycle. After considering the comments, the OCC believes that it will be sufficient to look to the outstanding issuance value of a permitted payment stablecoin issuer without regard to the trading volume. As discussed in greater detail below, permitted payment stablecoin issuers will, nevertheless, be required to report certain information concerning trading volume.

Finally, § 15.14(d)(3) of the final rule provides that, to qualify for an extended examination cycle, the permitted payment stablecoin issuer must have an outstanding issuance value, together with any affiliated permitted payment stablecoin issuers, of less than $1 billion. The OCC is making this change in recognition of business models that use multiple issuer SPVs. The OCC is adopting § 15.14(d) with the shortened extended examination cycle, removal of trading volume, and inclusion of affiliated permitted payment stablecoin issuers in the calculation of the $1 billion threshold discussed above.

Proposed § 15.14(e) would have clarified that § 15.14 does not limit the OCC's authority to examine a permitted payment stablecoin issuer more frequently whenever the OCC deems it necessary. The provision expressly preserves the OCC's ability to conduct limited-scope examinations, as well as more frequent examinations. One commenter stated that the OCC should clarify objective triggers for limited-scope or ad hoc examinations while preserving emergency authority. The OCC declines to adopt objective triggers or measures that could give rise to the initiation of a targeted or limited examination. The OCC has not adopted similar objective triggers or measures for national banks and Federal savings associations, and the OCC did not find any compelling reasons to deviate from that approach with respect to permitted payment stablecoin issuers. For example, miscalibration of objective triggers or measures for limited-scope or ad hoc examinations could result in a supervisory framework that is overly inclusive and imposes unnecessary burden on institutions through excessive examinations or a framework that is underinclusive and provides less opportunity to identify and address material financial risks to permitted payment stablecoin issuers. The OCC has significant experience in determining examination frequency and scope in the context of national banks and Federal savings associations. As the OCC develops experience in examining and supervising permitted payment stablecoin issuers, it will consider whether it should revisit or revise the examination schedule and the triggers or measures for conducting limited-scope or ad hoc examinations. Therefore, the OCC is adopting § 15.14(e) as proposed.

Proposed § 15.14(f) would have required all permitted payment stablecoin issuers to maintain a complete set of books and records in English. The agency did not receive any comments related to this section and is adopting this provision as proposed.

Proposed § 15.14(g) would have required all permitted payment stablecoin issuers to develop and implement a records retention policy. The policy must ensure that the issuer can demonstrate compliance with the GENIUS Act, part 15, and all other applicable laws and regulations. One commenter recommended that the OCC revise the proposal to establish minimum standards for records retention. The OCC has elected not to codify minimum records retention standards in order to provide permitted payment stablecoin issuers with flexibility to manage and maintain their respective books and records while still being able to demonstrate compliance with applicable laws and regulations. Further, the agency has not established general retention standards for national banks and Federal savings associations, so establishing minimum records retention standards for permitted payment stablecoin issuers would be inconsistent with the agency's supervisory approach for national banks and Federal savings associations. The OCC may revisit this approach in the future if permitted payment stablecoin issuers would benefit from minimum records retention standards. The OCC is adopting § 15.14(g) as proposed.

c. Reports

i. Description of Proposed Rule

Section 6(a)(2) of the GENIUS Act (12 U.S.C. 5905(a)(2)) requires that each permitted payment stablecoin issuer shall, upon request, submit to the appropriate Federal payment stablecoin regulator a report on: the financial condition of the permitted payment stablecoin issuer; the systems of the permitted payment stablecoin issuer for monitoring and controlling financial and operating risks; compliance by the permitted payment stablecoin issuer (and any subsidiary thereof) with the GENIUS Act; and the compliance of the Federal qualified nonbank payment stablecoin issuer with the Bank Secrecy Act and with laws authorizing the imposition of sanctions and implemented by the Secretary of the Treasury. Section 6(a)(4) of the GENIUS Act (12 U.S.C. 5905(a)(4)) requires the OCC to take certain actions to promote efficiency in the supervision and examination of permitted payment stablecoin issuers. The OCC, in supervising and examining permitted payment stablecoin issuers, to the fullest extent possible, must use existing supervisory reports and other supervisory information and avoid duplication of examination activities, reporting requirements, and requests for information.

Proposed § 15.14(j) implemented section 6(a)(2) of the GENIUS Act and would have required each permitted payment stablecoin issuer subject to the requirements of section 6(a)(1) of the Act to, upon request, submit to the OCC a report on: (1) the financial condition of the permitted payment stablecoin issuer; (2) the systems of the permitted payment stablecoin issuer for monitoring and controlling financial and operating risks; (3) compliance by the permitted payment stablecoin issuer (and any subsidiary thereof) with the GENIUS Act and proposed part 15; and (4) compliance of the permitted payment stablecoin issuer with the Bank Secrecy Act and with laws authorizing the imposition of sanctions and implemented by the Secretary of the Treasury. In an effort to clarify the GENIUS Act's requirements, the OCC proposed in § 15.14(j)(4) to expand the requirement that Federal qualified nonbank payment stablecoin issuers produce reports of compliance with the requirements of the Bank Secrecy Act and with laws authorizing the imposition of sanctions and implemented by the Secretary of the Treasury to all permitted payment stablecoin issuers.[120]

[120] The OCC notes that section 6(a)(2) of the GENIUS Act (12 U.S.C. 5905(a)(2)) requires all permitted payment stablecoin issuers to provide the subsequent list of reports in section 6(a)(2)(A) through (D) to the OCC upon request, whereas section 6(a)(2)(D) refers to the compliance of ''the Federal qualified nonbank payment stablecoin

Continued

In addition to the regulations codifying the reporting requirements in section 6(a)(2) of the GENIUS Act (12 U.S.C. 5905(a)(2)), pursuant to its supervisory authority in section 6(a)(1) of the Act (12 U.S.C. 5905(a)(1)), the OCC proposed in § 15.14(h) to require permitted payment stablecoin issuers to submit on a weekly basis, in the manner and form specified by the OCC, a confidential report containing the information requested in the form that will be available at *www.occ.gov*.[121] Proposed § 15.14(h) would have required all permitted payment stablecoin issuers to submit a confidential weekly report to the OCC in the manner and form specified by the agency. Under the proposal, a permitted payment stablecoin issuer would have been required to provide information regarding stablecoin issuance and redemption, trading volume, and reserve assets for each payment stablecoin it issued. The report would have included information relating to the blockchains on which the payment stablecoin was listed, outstanding issuance value, secondary market activity and price movements, redemption volume and timing, detailed information regarding reserve assets, and other relevant information. The agency published the weekly and quarterly reporting forms for notice and public comment on June 12, 2026.[122]

At a high level, the OCC proposed requiring permitted payment stablecoin issuers to provide information regarding issuance and redemption, trading volume, and reserve assets for each payment stablecoin they issue. The OCC proposed that the weekly report would include information relating to the blockchains on which the payment stablecoin was listed, outstanding issuance value, secondary market activity and price movement, redemption volume and timing, detailed information regarding reserve assets, and other relevant information. In the proposal, the OCC stated that requiring a permitted payment stablecoin issuer to provide a confidential set of data on a weekly basis for each payment stablecoin it issued would allow the agency to understand the permitted payment stablecoin issuer's operations and the risks unique to its business model. This regular data reporting would have allowed the OCC to tailor its examinations to be risk-based, which would have reduced the burden of examinations by focusing the scope of examinations. In addition, the OCC stated that this regular reporting framework would have allowed the agency to identify and respond more quickly to emerging novel risks and financial stability risks. Further, in support of this reporting framework, the OCC stated its belief that the proposed set of information is currently tracked on a regular basis by stablecoin issuers.

The OCC proposed in § 15.14(i) a separate provision that would have required permitted payment stablecoin issuers to submit quarterly reports of financial condition to the OCC, including, but not limited to, an income statement, expenses, balance sheet, reserves, changes in equity, investments, capital, outstanding issuance value, and assets under custody, in a standardized format as prescribed by the OCC within 30 days of the end of the prior quarter. The OCC also proposed to require that each quarterly report of financial condition include a declaration from the permitted payment stablecoin issuer's Chief Financial Officer, or the individual performing an equivalent function, that the report was true and correct to the best of their knowledge and belief. The correctness of the quarterly report of condition would have also been attested to by the signatures of the directors and senior management of the permitted payment stablecoin issuer other than the officer making such declaration, with the attestation stating that the report had been examined by them and to the best of their knowledge and belief was true and correct. The OCC proposed requiring these declarations and attestations to ensure that the permitted payment stablecoin issuer's officers and directors were accountable for the accuracy of the permitted payment stablecoin issuer's reports of financial condition.

Proposed § 15.14(k) implemented section 5(i) of the GENIUS Act (12 U.S.C. 5904(i)). Consistent with the statute, under the proposed rule, not later than 180 days after the approval of an application, as defined in proposed § 15.30, and on an annual basis thereafter, a permitted payment stablecoin issuer would have had to submit to the OCC a certification by its board of directors that the permitted payment stablecoin issuer had implemented anti-money laundering and economic sanctions compliance programs that were reasonably designed to prevent the permitted payment stablecoin issuer from facilitating money laundering, in particular, facilitating money laundering for cartels and organizations designated as foreign terrorist organizations under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189) and the financing of terrorist activities, consistent with the requirements of the GENIUS Act.

ii. Description of Comments and Final Rule

Many commenters submitted general comments about the proposed reporting framework and requested that the OCC modify or incorporate various concepts into the proposed reporting framework. Several commenters expressed general support for the OCC's proposed reporting framework. The commenters stated that the cadence and data fields were sufficient to support the prudential regulation of permitted payment stablecoin issuers. One commenter expressed support for the reporting framework on the grounds that it may reduce the need for more intrusive or frequent on-site examinations. Another commenter expressed support for standardized reporting forms on the grounds that they are a proportionate mechanism to improve supervisory visibility into the operational, liquidity, and market risks of permitted payment stablecoin issuers.

Several commenters encouraged the OCC to coordinate stablecoin reporting requirements under the proposal with other Federal payment stablecoin regulators, stating that interagency coordination is essential to promote consistency, reduce duplication, and ensure an efficient supervisory framework for institutions subject to multiple Federal regulators. At this time, the OCC has determined that the issuance of OCC-specific reporting forms for OCC-supervised permitted payment stablecoin issuers best ensures that the weekly and quarterly reporting forms are available when the agency's stablecoin regulations become effective. In the future, the OCC will consider potentially using an interagency framework for the submission of reports to promote consistency.

Several commenters recommended additional reporting requirements to strengthen supervisory oversight of permitted payment stablecoin issuers.

---

issuer with the requirements of the Bank Secrecy Act.'' Based on the structure of section 6(a)(2), the OCC believes all permitted payment stablecoin issuers must, upon request, produce each of the listed reports and that the OCC could request the report required in section 6(a)(2)(D) from a permitted payment stablecoin issuer. Additionally, section 6(a)(1) of the GENIUS Act (12 U.S.C. 5905(a)(1)) gives the OCC supervisory authority over all permitted payment stablecoin issuers, which provides the OCC with further authority to request the report in section 6(a)(2)(D).

[121] *See* 12 U.S.C. 5905(a)(1) and (2). With regard to reporting by a permitted payment stablecoin issuer as to its assets under custody, section 10(d) of the GENIUS Act (12 U.S.C. 5909(d)) provides an additional statutory grant of authority.

[122] *Proposed Information Collection; Reporting Forms and Instructions for Permitted Payment Stablecoin Issuers Subject to the Jurisdiction of the Office of the Comptroller of the Currency,* 91 FR 35795 (June 12, 2026).

One commenter urged the OCC to require monthly reporting of any instances in which a permitted payment stablecoin issuer extends the redemption period beyond two business days to complete compliance checks. Another commenter suggested that regulators consider collecting data on transaction rejections, delays, account closures, and geographic restrictions to improve visibility into access-related outcomes. A further commenter recommended that the OCC consider requiring an annual attestation report on management's assertions regarding the effectiveness of internal controls over stablecoin operations and reserves. Another commenter recommended that the final rule require every OCC-supervised permitted payment stablecoin issuer to file a current report with the OCC within one business day whenever the secondary market trading price of its payment stablecoin deviates downward from $1.00 by more than one quarter of one percent.

One commenter stated that new reporting obligations should leverage information already maintained in the ordinary course of business wherever possible. The commenter noted that payment stablecoins may present supervisory visibility challenges that are not fully addressed by traditional banking or payments reporting, particularly once stablecoins circulate beyond initial issuance and redemption channels. The commenter stated that the OCC should consider whether targeted, standardized, machine-readable reporting fields are appropriate to capture material secondary-market activity, concentration, operational interventions, and other risk indicators that may be observable through issuers, service providers, or private or public blockchain data. The commenter claimed that such an approach would help avoid supervisory blind spots while remaining consistent with a risk-based and operationally practicable framework.

One commenter stated that smaller institutions may lack the staffing and systems needed to support frequent or highly granular reporting, including weekly submissions, and urged the OCC to account for those operational constraints. The commenter recommended that the OCC rely on existing supervisory information and frameworks for bank-affiliated issuers wherever practicable and avoid requirements that would force new technology investments, additional staffing, or duplicative attestations without clear supervisory benefit. The commenter also urged the OCC to provide standardized reporting tools if more frequent reporting is required and supported an additional tier for small issuers to better align requirements with risk and operational capacity. The commenter further stated that nonbank permitted payment stablecoin issuers warrant more prescriptive reporting obligations, given the absence of an ongoing prudential supervisory relationship comparable to that applicable to insured depository institutions. Another commenter stated that traditional core systems are often limited to two decimal places, whereas other stablecoins require six. The commenter stated that the agency should consider the operational modernization required to support stablecoins. The OCC recognizes that some banks may currently lack the operational capacity to support certain payment stablecoin activities. Such institutions are not required to engage in payment stablecoin activities, but, to the extent that they do so, they must do so in a safe and sound manner, which may entail modernizing certain systems.

Several commenters recommended that the agency adopt a risk-based reporting framework based on a permitted payment stablecoin issuer's size, complexity, and risk profile. In general, the commenters recommended that the OCC implement reduced or streamlined reporting requirements for smaller and less complex permitted payment stablecoin issuers. The commenters claimed that these permitted payment stablecoin issuers do not present the same risk as larger, more complex permitted payment stablecoin issuers and therefore should not be subject to the same reporting requirements. Some commenters added that a reduced reporting burden would result in a reduction in operating expenses for smaller permitted payment stablecoin issuers. One commenter recommended that the OCC impose reduced reporting requirements on those permitted payment stablecoin issuers that qualify for an extended examination cycle under § 15.14(d). Upon consideration, the OCC has determined that all permitted payment stablecoin issuers should be required to submit weekly reporting and quarterly reports of condition because this information is essential to the oversight of permitted payment stablecoin issuers and the stablecoin market. The OCC has proposed reporting forms for comment and will revise those forms, as appropriate, based on the comments received. In addition, the OCC intends to evaluate the information it receives from reports from permitted payment stablecoin issuers to consider whether to revise the reporting forms to reduce burden while still providing the information necessary to the OCC's supervision.

Commenters urged the OCC to adopt a reporting framework that maintains regulatory differentiation between bank and nonbank stablecoin issuers. The commenters stated that bank-affiliated issuers should be permitted to satisfy stablecoin-specific reporting obligations through streamlined, integrated disclosures—such as supplemental schedules to Call Reports—while nonbank issuers should be subject to more robust, standalone reporting and audit requirements commensurate with their risk profile and lack of prudential supervision. Commenters stated that this approach would preserve safety and soundness, promote regulatory consistency, and support community bank participation in stablecoin activities without disadvantaging institutions that already operate under a rigorous supervisory framework.

After careful consideration of the comments, the OCC has determined that all permitted payment stablecoin issuers should be subject to uniform reporting requirements. This approach ensures that the OCC receives a consistent set of data across all permitted payment stablecoin issuers. As discussed, the OCC considered the information to be collected to be an appropriate minimum amount of data for permitted payment stablecoin issuers. The receipt of this data will also allow the OCC to calibrate its supervisory approach to each permitted payment stablecoin issuer and minimize supervisory disruptions associated with limited and full-scope examinations. Moreover, reporting consistency should help the OCC ensure comparability and better facilitate market oversight.

A few commenters urged the OCC to focus reporting on primary market data, including primary market issuance, redemption activity, and reserve composition. One commenter emphasized that the proposed weekly reporting should focus on primary market data instead of secondary market data. The commenters added that, if the OCC does require secondary market reporting, the data collected should focus on material secondary market indicators relevant to prudential supervision and market integrity. Some of the commenters also noted the challenges with reporting secondary market data since market activity occurs across multiple venues and through intermediaries where the permitted payment stablecoin issuer may lack full visibility. The OCC will consider this comment in conjunction with comments

received on the draft reporting forms and revise the final forms accordingly.[123]

One commenter stated that a permitted payment stablecoin issuer's reporting and risk management obligations are overly focused on primary market activity—*i.e.,* issuance and redemption of payment stablecoins directly between the issuer and its customers. The commenter claimed that this creates two distinct and serious gaps that the final rule should address: one in safety and soundness oversight and one in illicit finance compliance. The commenter stated that permitted payment stablecoin issuers should be required to submit reporting when secondary market prices move below $1.00 and implement a real-time secondary market transaction monitoring program to detect unusual activity and report anomalies to the OCC. The OCC will consider this comment along with the comments received on the draft reporting forms when deciding what modifications should be made in the final forms with respect to secondary market data.[124]

One commenter stated that the proposed categories of information in the reporting forms would not require information about the protocol or set of protocols on which the stablecoins are deployed. The commenter added that the weekly reporting forms should, at a minimum, include a list of protocols on which the permitted payment stablecoin issuer's stablecoins are deployed above a certain threshold. The same commenter further added that the OCC should impose a similar reporting requirement for tokenized reserves. The OCC will consider this comment along with comments received on the draft reporting forms when finalizing the reporting forms.[125]

One commenter recommended that the agency consider including a broader set of quality indicators in the final rule. The commenter proposed including peg stability, price integrity, liquidity depth, exit feasibility, holder concentration, technical risk, and network and infrastructure dependencies.

Several commenters stated that the OCC should require all reporting forms for weekly, monthly, and quarterly reporting to be in a standardized, machine-readable format, including eXtensible Business Reporting Language (commonly known as ''XBRL'') or ISO 20022-aligned structures. The commenters generally stated that requiring reporting in a machine-readable format would allow for efficiencies including automated data extraction and the ability to easily compare reporting across permitted payment stablecoin issuers.

On June 25, 2026, pursuant to the Financial Data Transparency Act (FDTA),[126] the OCC and other Federal agencies issued a joint final rule establishing joint data standards.[127] In addition to the joint rule, the FDTA also directs each agency to issue individual rules adopting applicable joint standards for certain collections of information under their respective purview. The OCC has not issued its agency-specific rulemaking adopting applicable joint standards. In developing and finalizing the weekly, monthly, and quarterly reporting forms, the OCC will ensure that the reporting forms are consistent with the FDTA and the agencies' joint rule. Of note, the OCC will be able to accept some ISO 20022 structures, such as eXtensible Markup Language (commonly known as ''XML'').

The agency received several comments concerning whether the agency should implement real-time reporting. A few commenters expressed support for real-time reporting. One commenter noted that some relevant data exists on-chain and can be extracted in real time. Another commenter stated that the implementation of real-time reporting could meaningfully reduce the frequency of on-site examinations.

Conversely, several commenters opposed the adoption of real-time reporting and stated that it should not be required in the final rule. The commenters generally claimed that real-time reporting would be unnecessary or overly burdensome. One commenter stated that while permitted payment stablecoin issuers may track certain data in real time, translating such data into a form ready for supervisory reporting often requires reconciliation, validation, and normalization processes that would make real-time external reporting unnecessarily burdensome. Another commenter stated that some data fields are not observable in real time and that a weekly reporting cadence is more aligned with the operational rhythm already used by issuers. Another commenter stated that a weekly reporting cadence is preferable to real-time reporting and suggested that the weekly reporting framework could be supplemented with event-driven reporting.

Upon consideration, the OCC has declined to incorporate a real-time reporting component into the reporting framework for permitted payment stablecoin issuers. The OCC has determined that a weekly and quarterly reporting cadence will provide the agency with sufficient data and supervisory visibility into the stablecoin market. Further, the agency is sensitive to the increased operational expense and burden that the implementation of real-time reporting would impose on permitted payment stablecoin issuers. For these reasons, the OCC has declined to impose a real-time reporting requirement on permitted payment stablecoin issuers. The OCC may reconsider this position in the future if, for example, effective supervision of the stablecoin market demands the implementation of real-time reporting or future technological advances mean that implementing real-time reporting would not be overly burdensome for permitted payment stablecoin issuers.

A few commenters stated that the OCC should publish and solicit comment on the weekly and quarterly reporting forms and instructions referenced in the proposal in advance of finalizing the reporting forms. On June 12, 2026, the OCC published the weekly and quarterly reporting forms and instructions and requested public comment on the forms and their instructions.[128] The OCC will consider the comments on these forms, as well as those described above, when finalizing the reporting forms for permitted payment stablecoin issuers.

One commenter stated that the OCC should specify the reporting categories and their required level of detail in the rule text itself. The commenter expressed concern that if the reporting categories and the required level of detail are not included in the rule, the OCC could modify the reporting forms without proceeding through the formal rulemaking process, which would include notice and comment.

The final rule does not incorporate or specify the reporting fields or the required level of detail. Inclusion of such language is unnecessary to provide the public with prior notice and opportunity to comment on the reports. As with the proposed reporting forms, the agency has solicited public comments on both the reporting framework (*i.e.,* weekly and quarterly reporting) through the notice of proposed rulemaking on March 2,

[123] *See* 91 FR 35795.

[124] *Id.*

[125] *Id.*

[126] *See The Financial Data Transparency Act of 2022,* Public Law 117–263, title LVIII, 136 Stat. 3421.

[127] *See Financial Data Transparency Act Joint Data Standards,* 91 FR 38246 (June 25, 2026).

[128] *See* 91 FR 35795.

2026 [129] and the reporting forms and instructions, which the agency published on June 12, 2026.[130] In both adopting and amending the reporting forms, the OCC will adhere to administrative laws and regulations, including the Paperwork Reduction Act.[131]

Weekly Reports

As discussed above, proposed § 15.14(h) would have required all permitted payment stablecoin issuers to submit a confidential weekly report to the OCC in the manner and form specified by the agency. Under the proposal, a permitted payment stablecoin issuer would have been required to provide information regarding stablecoin issuance and redemption, trading volume, and reserve assets for each payment stablecoin it issues. The report would have included information relating to the blockchains on which the payment stablecoin operates, outstanding issuance value, secondary market activity and price movements, redemption volume and timing, detailed information regarding reserve assets, and other relevant information. As discussed above, the agency published the weekly and quarterly reporting forms for notice and public comment on June 12, 2026. The following discussion includes comments received in response to the proposal's issuance on March 2, 2026, and the weekly reporting forms and instructions' issuance on June 12, 2026.

A few commenters expressed support for the weekly reporting cadence on the grounds that the reporting framework is generally well calibrated and directionally appropriate. However, the commenters also expressed a desire for the OCC to narrow the data fields to categories more closely tied to the statutory requirements and prudential oversight. For example, commenters recommended recalibrating the data fields to focus on liquidity, reserve management, and redemptions.

Several commenters also expressed opposition to the weekly reporting requirement. Generally, the commenters opposed the weekly reporting requirement on the grounds that it is overly burdensome, particularly for smaller issuers. In some cases, the commenters questioned the supervisory value of weekly reporting. The commenters also expressed a preference for a variety of reporting alternatives, including monthly reporting, monthly reporting accompanied by event-triggered reporting, and quarterly confidential reporting in addition to quarterly public reporting. One commenter added that if the OCC adopts weekly reporting, the data fields should be limited to the core data fields necessary to monitor a permitted payment stablecoin issuer for safety and soundness.

Under proposed § 15.14(h), the weekly reporting submitted to the OCC would have been confidential. One commenter expressed the view that stablecoin holders would benefit from having access to weekly reporting and encouraged the OCC to make the weekly reporting available to the public. Two commenters opposed the disclosure of weekly data on the grounds that it could create market distortions, reveal commercially sensitive information, and risk encouraging short-term market reactions to normal operational fluctuations that do not reflect underlying prudential concerns. Further, the commenters stated that disclosures should be focused on statutorily required disclosures such as reserve composition. One of the commenters expressed an openness to the disclosure of aggregated statistics on payment stablecoin issuance and volumes, among other things, for payment stablecoins.

One commenter stated that the weekly reporting under proposed § 15.14(h) is not designed to identify protocol-level exposure. Specifically, the commenter stated that the data fields enumerated in proposed § 15.14(h) are appropriate for entity-level reserve and redemption oversight, but do not capture the protocol deployment of stablecoin-denominated assets where systemic risk is concentrated.

Several commenters opposed the OCC's proposed weekly collection of ''the 100 persons that hold or trade the stablecoin the most.'' Commenters generally opposed the collection of this information on several grounds. First, commenters stated that the OCC has not articulated a clear supervisory rationale for collecting this data and that this information is not essential to understanding a permitted payment stablecoin issuer's operations. Second, commenters claimed that issuers cannot reliably produce this data because payment stablecoins frequently trade through exchanges and intermediaries, which limits permitted payment stablecoin issuers' ability to reliably identify the top 100 holders on a recurring basis. Finally, the commenters claimed that the required disclosure of top-holder information raises significant privacy concerns. Several commenters presented solutions ranging from removing the collection of this data from the weekly reporting form to focusing the collection on the top 100 wallets, which would not include any beneficial ownership information.

Upon review of the comments, the OCC intends to keep the weekly reporting confidential. The agency believes that the confidentiality of this reporting serves the interest of promoting the exchange of supervisory information between permitted payment stablecoin issuers and the OCC. In the future, the OCC may consider publishing a limited set of data if it would be useful to the public. For example, the OCC may consider publishing a limited set of aggregate statistics based on the weekly reporting. The OCC published a draft weekly reporting form for comment that requests information on the top 100 payment stablecoin wallet addresses, not information identifying the top 100 individual persons holding payment stablecoins of an issuer.[132] The OCC believes the collection of this information will provide important supervisory data points related to concentration risk, payment stablecoin volatility, and other payment stablecoin characteristics that are important to the OCC's supervision of permitted payment stablecoin issuers. The OCC plans to make adjustments to the reporting forms as appropriate to address comments received, as the market develops, and as the OCC gains experience supervising permitted payment stablecoin issuers.

Quarterly Reports

As discussed above, proposed § 15.14(i) would have required all permitted payment stablecoin issuers to submit a quarterly report of financial condition within 30 days after the end of the prior quarter and in a standardized format prescribed by the OCC. Under the proposal, permitted payment stablecoin issuers would have been required to submit quarterly reports of financial condition to the OCC, including, but not limited to, an income statement, expenses, balance sheet, reserves, changes in equity, investments, capital, outstanding

[129] *Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency,* 91 FR 10202 (March 2, 2026).

[130] 91 FR 35795.

[131] *See* the *Paperwork Reduction Act of 1995,* 44 U.S.C. 3501 *et seq.*

[132] 91 FR 35795; OCC Bulletin 2026–24, ''GENIUS Act: Reporting Forms and Instructions for Permitted Payment Stablecoin Issuers Subject to the Jurisdiction of the Office of the Comptroller of the Currency,'' (June 11, 2026), *https://www.occ.gov/news-issuances/bulletins/2026/bulletin-2026-24.html.*

issuance value, and assets under custody, in a standardized format. The agency published the weekly and quarterly reporting forms for notice and public comment on June 12, 2026.[133] The following discussion includes comments received in response to the proposal's issuance on March 2, 2026.

A few commenters expressed support for requiring permitted payment stablecoin issuers to provide quarterly reports of financial condition. The commenters generally stated that quarterly reporting is an important tool to both compare permitted payment stablecoin issuers and prevent the deterioration of market confidence.

Several commenters stated that permitted payment stablecoin issuers that are subsidiaries of national banks that already file Call Reports should not be required to submit a separate quarterly report in order to minimize duplicative reporting requirements, reduce reporting burden, and lower compliance costs. The commenters generally advocated that these permitted payment stablecoin issuers be allowed to submit a stablecoin-specific appendix or schedule.

Some commenters stated that the OCC should allow other executives, besides the Chief Financial Officer or the individual performing the equivalent function, to provide the quarterly report attestation. The commenters also recommended that the OCC allow a subset of the board of directors and senior management, as opposed to all members of the board of directors and senior management, to attest to the correctness of quarterly reports. The OCC believes that the Chief Financial Officer, or the individual performing the equivalent function, is the correct member of senior management to be accountable for providing an attestation to the accuracy of quarterly reports. A single accountable member of senior management will help ensure that a member of senior management has ownership of a permitted payment stablecoin issuer's financial reporting function. Similarly, the OCC believes that requiring all members of the board of directors and senior management to attest to the correctness of quarterly reports will help ensure that the board of directors and senior management are engaged in the oversight of the permitted payment stablecoin issuer's financial reporting function.

Upon consideration of the comments received, the OCC has elected to adopt the quarterly reporting provision as proposed with new subdivisions and other technical edits. Final § 15.14(i)(1) requires a quarterly report on the financial condition, final § 15.14(i)(2) requires a declaration that the report is true and correct, and final § 15.14(i)(3) requires certain signatures of directors and senior management. The technical edits involve the addition of ''and'' to final § 15.14(i)(1) for clarity and the addition of commas in final § 15.14(i)(3) for clarity. In the interest of promoting transparency, the OCC has determined that each permitted payment stablecoin issuer must submit a quarterly report of condition. The agency has adopted this approach because it establishes a uniform requirement across all permitted payment stablecoin issuers and will minimize public confusion about where to find quarterly reports of condition for permitted payment stablecoin issuers. If some permitted payment stablecoin issuers were allowed to attach quarterly reports of condition to Call Reports, the public could find it challenging to locate stablecoin-specific quarterly reporting forms if it is not widely known or understood that a permitted payment stablecoin issuer is a subsidiary of an institution that is a Call Report filer. Therefore, the OCC has elected to adopt a uniform quarterly reporting requirement for all permitted payment stablecoin issuers.

One commenter stated that large and complex permitted payment stablecoin issuers (*e.g.,* those above $10 billion in payment stablecoin issuance or that meet the other criteria cited above) should be required to report at a much higher frequency than quarterly, similar to the prudential bank requirements for the largest banking organizations. Under § 15.14(h) of the final rule, all permitted payment stablecoin issuers will be required to provide weekly confidential reporting to the OCC.

One commenter stated that the quarterly reporting requirement in proposed § 15.14(i) should be tailored to ensure proportionality across the rulemaking and consistency across prudential regulators, to avoid unnecessary duplication and be consistent with a risk-based supervisory approach.

One commenter recommended making quarterly reporting data publicly available as the reports are likely to contain material facts that are pertinent to stablecoin holders and other data users. Similar to the publication of Call Reports, the OCC intends to publish the quarterly reporting forms for OCC-supervised permitted payment stablecoin issuers.

Other Supervisory Reports

Proposed § 15.14(j) addressed section 6(a)(2) of the GENIUS Act (12 U.S.C. 5905(a)(2)) and would have required each permitted payment stablecoin issuer subject to the requirements of section 6(a)(1) of the Act to, upon request, submit to the OCC a report on: (1) the financial condition of the permitted payment stablecoin issuer; (2) the systems of the permitted payment stablecoin issuer for monitoring and controlling financial and operating risks; (3) compliance by the permitted payment stablecoin issuer (and any subsidiary thereof) with the GENIUS Act and proposed part 15; and (4) compliance of the permitted payment stablecoin issuer with the Bank Secrecy Act and with laws authorizing the imposition of sanctions and implemented by the Secretary of the Treasury.[134]

In an effort to clarify the GENIUS Act's requirements, the OCC proposed in § 15.14(j)(4) to expand the requirement in section 6(a)(2)(D) of the GENIUS Act (12 U.S.C. 5905(a)(2)(D)) that Federal qualified nonbank payment stablecoin issuers produce reports of compliance with the requirements of the Bank Secrecy Act and with laws authorizing the imposition of sanctions and implemented by the Secretary of the Treasury to all permitted payment stablecoin issuers.

The proposal also requested feedback on this expanded approach and whether the OCC should apply this requirement to all permitted payment stablecoin issuers. One commenter stated that the requirement should apply to all OCC-supervised permitted payment stablecoin issuers. The commenter stated that BSA and sanctions risks are not meaningfully reduced by charter type. The commenter also claimed that stablecoin-specific AML and CFT expectations are being applied internationally across issuer categories rather than solely to nonbanks. The commenter further recommended providing uniform substantive coverage with proportional, non-duplicative collection of information—*i.e.,* if a bank subsidiary's parent already provides equivalent information through existing supervisory channels, the OCC can rely on that information to avoid duplicate reporting. Another commenter stated that the requirements to provide reports on compliance with the BSA should not be required for permitted payment stablecoin issuers that are already subject to the BSA, including national

[133] *Id.*

[134] *See* 12 U.S.C. 5905(a)(2).

banks (whether insured or otherwise) and their subsidiaries.

After careful consideration of the comments, the OCC has elected to revise § 15.14(j) in the final rule to better reflect section 6(a)(2) of the GENIUS Act (12 U.S.C. 5905(a)(2)). As a result, final § 15.14(j)(4) will apply only to Federal qualified nonbank payment stablecoin issuers [135] in the final rule, codifying the reporting requirements as provided for in the GENIUS Act and not expanding the requirement to all permitted payment stablecoin issuers. The OCC notes that it may nevertheless obtain information relating to the compliance of a permitted payment stablecoin issuer with the requirements of the Bank Secrecy Act and laws authorizing the imposition of sanctions as part of ongoing supervision.

BSA Certification

Proposed § 15.14(k), implementing section 5(i) of the GENIUS Act (12 U.S.C. 5904(i)), would have required a permitted payment stablecoin issuer, no later than 180 days after approval under § 15.30 and annually thereafter, to submit a board certification regarding its AML/CFT and sanctions compliance programs. The certification would have needed to state that the permitted payment stablecoin issuer had implemented programs reasonably designed to prevent the permitted payment stablecoin issuer from facilitating money laundering, including money laundering for cartels and designated foreign terrorist organizations, and the financing of terrorist activities, consistent with the GENIUS Act.

Commenters addressed the burden associated with the requirement. Specifically, one commenter stated that the proposed post-approval requirement to submit a certification of having implemented anti-money laundering and sanctions compliance programs is unnecessary, as such programs would have already been vetted by the OCC as part of the approval and organization process required for a national trust bank. As stated above, this regulation is implementing a statutory provision, so the annual post-approval certification is mandated by the GENIUS Act.[136] Another commenter stated that if ongoing compliance certifications are required under § 15.14(k), AML and sanctions-related certifications should be made by the AML officer rather than the board, given the officer's direct responsibility for and proximity to those programs. After careful consideration of the comments and burden associated with the requirement generally, the OCC has decided to amend § 15.14(k) to provide permitted payment stablecoin issuers with increased flexibility to provide the annual certifications by allowing the board of directors to provide the initial certification and then all subsequent annual certifications may be provided by the board of directors, an appropriate committee of the board of directors, or the Bank Secrecy Act officer. While it is important that the board of directors demonstrates its oversight of the permitted payment stablecoin issuer's compliance function through submission of the initial certification, this approach balances the goal of ensuring that the board of directors is actively involved in the oversight of the permitted payment stablecoin issuer's compliance program at the initiation of operations and minimizing the board of directors' ongoing administrative burden. As required by statute, the OCC will pursue examination and supervisory policies that maximize efficiency and minimize duplication, including, where appropriate, limiting requests for supplemental or ad hoc reporting from OCC-supervised permitted payment stablecoin issuers.[137]

Another commenter stated that the OCC should consider requiring foreign payment stablecoin issuers accessing United States banking infrastructure through OCC-supervised institutions to provide AML certifications equivalent to those of permitted payment stablecoin issuers. Section 5(i) of the GENIUS Act (12 U.S.C. 5904(i)) does not impose a certification requirement on foreign payment stablecoin issuers—only permitted payment stablecoin issuers. As discussed below, however, consistent with section 18(c)(2)(A) of the Act (12 U.S.C. 5916(c)(2)(A)), a foreign payment stablecoin issuer registered with the OCC must produce the reports required of a permitted payment stablecoin issuer under § 15.14 as well as any other reports the OCC may require.[138] The OCC believes that the reports required under § 15.14, and other reports that the OCC may require, will generally be sufficient to ensure compliance with applicable AML/CFT and sanctions provisions. To the extent such reports are not sufficient to demonstrate such compliance, the OCC may require additional reporting pursuant to § 15.31(b)(2)(i).

The OCC is also revising § 15.14(k) to replace the phrase ''defined in § 15.30'' with ''set forth in § 15.30.'' This is a technical change in light of the fact that § 15.30 sets forth the process for approving an application but does not separately define approval. The OCC is also dividing proposed § 15.14(k) into final § 15.14(k)(1) and (2), with final § 15.14(k)(2) describing which individuals provide the initial and subsequent certifications.

d. Audits

Section 4(a)(10) of the GENIUS Act (12 U.S.C. 5903(a)(10)) requires that a permitted payment stablecoin issuer with more than $50 billion in consolidated total outstanding issuance value that is not subject to certain reporting requirements under Federal securities laws prepare an annual financial statement. Section 4(a)(10) further provides that a registered public accounting firm must perform an audit of the annual financial statement. Under this section, the audited annual financial statement must also be made publicly available on the permitted payment stablecoin issuer's website and be submitted annually to the primary Federal payment stablecoin regulator.

Proposed § 15.14(l) implemented the requirements of section 4(a)(10) of the GENIUS Act. Under the proposed rule, each permitted payment stablecoin issuer with more than $50 billion in outstanding issuance value that is not subject to the reporting requirements under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)) would be required to prepare, in accordance with GAAP, an annual financial statement that included the disclosure of any related party transactions, as defined by GAAP. Proposed § 15.14(l)(1) required that a registered public accounting firm conduct an audit of the financial statements in accordance with all applicable auditing standards established by the Public Company Accounting Oversight Board (PCAOB). This provision incorporates the requirement in section 4(a)(10)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(10)(A)(iii)) that an audit described in section 4(a)(10)(A)(ii) shall ''be conducted in accordance with all applicable auditing standards established by the PCAOB, including those relating to auditor independence, internal controls, and related party transactions.'' As a part of its oversight of accounting firms that audit public companies, the PCAOB has authority to establish the applicable audit standards

[135] Although not a defined term in the GENIUS Act, the OCC interprets the term ''Federal qualified nonbank payment stablecoin issuers'' to mean Federal qualified payment stablecoin issuers that are nonbank entities.

[136] *See* 12 U.S.C. 5904(i).

[137] *See* 12 U.S.C. 5905(a)(4)(B).

[138] A foreign payment stablecoin issuer may request an exemption from an otherwise applicable reporting requirement.

for those accounting firms. The GENIUS Act, however, did not amend the PCAOB's authority to establish audit standards for permitted payment stablecoin issuers that are not required reporters under the Securities Exchange Act of 1934.[139] Thus, none of the PCAOB's audit standards would be applicable to a permitted payment stablecoin issuer if the permitted payment stablecoin issuer were not a required reporter under the Securities Exchange Act of 1934. Nevertheless, the GENIUS Act states that audits conducted pursuant to section 4(a)(10)(A)(ii) must ''be conducted in accordance with all applicable auditing standards established'' by the PCAOB. In light of the language of section 4(a)(10)(A)(iii) of the Act (12 U.S.C. 5903(a)(10)(A)(iii)), it is appropriate to clarify that the ''applicable auditing standards'' in this context means those auditing standards that would apply if the permitted payment stablecoin issuer were subject to the reporting requirements under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)). The OCC determined that the most logical applicable audit standards are those that would apply if the permitted payment stablecoin issuer were a filer under section 13(a) or 15(d) of the Securities Exchange Act of 1934 because section 4(a)(10)(A)(i)–(iii) of the Act (12 U.S.C. 5903(a)(10)(A)(i)–(iii)) appear intended to address those entities that would otherwise be subject to the requirements of sections 13(a) or 15(d) of the Securities Exchange Act of 1934.

The standards would be enforced by the OCC for permitted payment stablecoin issuers subject to the audit requirement under section 4(a)(10)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(10)(A)(iii)). Consistent with this framework, the OCC may at any time request that a registered public accounting firm provide to the OCC certain additional information or documents relating to information provided by the permitted payment stablecoin issuer. The registered public accounting firm must agree to provide copies of any working papers, policies, and procedures relating to services in connection with the audit required under section 4(a)(10)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(10)(A)(iii)). Proposed § 15.14(l)(2) would have required the permitted payment stablecoin issuer to: (1) make the audited financial statement publicly available on its website, and (2) submit the audited financial statement annually to the OCC. Under proposed § 15.14(l)(2)(ii), a permitted payment stablecoin issuer would have been required to submit to the OCC annually, within 120 days of the end of its fiscal year, an audited financial statement. If a permitted payment stablecoin issuer were unable to timely file all or any portion of its financial statements, proposed § 15.14(l)(2)(iii) would have required the permitted payment stablecoin issuer to submit a written notice of late filing to the OCC that would: (A) disclose the permitted payment stablecoin issuer's inability to file all, or specified portions, of its annual financial statement and the reasons therefore in reasonable detail; (B) include the date by which the financial statement will be filed; and (C) be filed on or before the deadline for filing the financial statement.

Many commenters submitted general comments about the proposed audit requirements in § 15.14(l) and requested that the OCC modify or incorporate various concepts into the audit regulations. Several commenters recommended that the OCC clarify its interpretation of ''applicable auditing standards'' in the rule text. One commenter recommended that the standards be equivalent to those that would apply under the Securities Exchange Act of 1934 reporting, without importing the SEC's full registrant regime for non-registrants. The commenter added that in many cases, standalone issuer financial statements may more appropriately be prepared under the AICPA's standards, even where parent-level reporting follows a different framework. Two commenters stated that the final rule should state that the applicable auditing standards are those that would apply to an issuer subject to the reporting requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934. One of the commenters added that clear articulation of this standard is important given the differing regulatory auditing baselines applicable to bank and nonbank issuers.

The OCC also received several comments recommending that the agency clarify that it would enforce audit standards and may request documents and information from a registered public accounting firm related to a permitted payment stablecoin issuer. One commenter recommended that the OCC make clear that enforcement of audit standards for bank-affiliated issuers will be conducted within the OCC's existing supervisory authority and examination processes. The commenter further claimed that any authority to obtain information from registered public accounting firms should be narrowly tailored and exercised only where necessary. Another commenter stated that it would be appropriate for the OCC to clarify the statutory enforcement authority regarding audits performed under the statute. Another commenter stated that the OCC should also state that it may obtain additional documents and, where necessary, working papers from the registered public accounting firm, subject to confidentiality protections, because effective supervision depends on being able to evaluate the reliability and scope of the external audit. Another commenter stated that the OCC may retain authority to request additional auditor information, but that authority should be exercised on a targeted and risk-based basis rather than as an open-ended or routine working-paper production obligation. Any such request should be tied to a specific supervisory need, identified discrepancy, or materiality concern, and it should be subject to written scope and confidentiality protections. One commenter stated that it is not necessary to include in the rule text that the OCC would enforce the standards.

One commenter noted that the audit under § 15.14(l) must be performed in accordance with PCAOB auditing standards and performed by a public accounting firm that is registered with the PCAOB. The commenter encouraged the agency to consider the existing auditor oversight mechanisms in place when considering the enforcement of auditing standards for permitted payment stablecoin issuers subject to the audit requirement. The commenter stated that in similar instances where laws or regulations require an audit to be performed in accordance with PCAOB auditing standards, but the audit does not fall within the scope of the PCAOB's oversight, such audits, insofar as they are performed by a United States public accounting firm, are subject to external oversight from the AICPA. The commenter further recognized that even if the OCC relies on these existing oversight mechanisms, there may be certain circumstances, such as in the event of a failure or major issue with a permitted payment stablecoin issuer, when it is necessary for the OCC to ''request that a registered public accounting firm provide to the OCC certain additional information or documents relating to information provided by the permitted payment stablecoin issuer.'' The commenter

[139] *See* section 4(a)(10)(A)(iv) of the GENIUS Act (12 U.S.C. 5903(a)(10)(A)(iv)) (providing that nothing in subparagraph A shall be construed to limit, alter, or expand the jurisdiction of the PCAOB over permitted payment stablecoin issuers or registered public accounting firms).

stated that such an approach would be consistent with frameworks adopted by other regulators, such as the FDIC, which acknowledge the importance of the Peer Review Program for ongoing oversight of audits, while still retaining the right to request access to auditors' working papers, policies, procedures, and other documentation as appropriate. Finally, the commenter stated that it would be important for the OCC to clarify that its ability to request access to documentation would not change the documentation retention requirements as established in the applicable auditing standards.

One commenter stated that it would be helpful for the OCC to clarify the independence standards with which it expects public accounting firms to comply when performing audits for permitted payment stablecoin issuers within the scope of § 15.14(l). The commenter stated that clarification regarding whether the intent is to require all PCAOB and SEC independence requirements, including those that are only applicable to public companies, is needed. This comment had similarly suggested that the OCC clarify the standards for monthly examinations of reports by a registered public accounting firm under § 15.11(f). A separate comment made a similar suggestion for clearer standards in the § 15.11(f) context. Like how the OCC is not adopting more specific standards into § 15.11(f), the OCC is not adopting the suggested change to § 15.14(l) concerning the independence standard. The proposed regulatory text was sufficiently clear that auditors must comply with the independence standards established by the PCAOB. To avoid any confusion, the independence standards established through the PCAOB's rules are the applicable independence standards that auditors should adhere to when performing an audit pursuant to § 15.14(l).[140]

One commenter recommended that the OCC consider the competency, qualifications, and specialized expertise of CPAs in good standing in its interpretation of the GENIUS Act as it relates to monthly examinations and audits of nonpublic issuers. The commenter argued that restricting these services to PCAOB-registered firms could unintentionally limit CPA availability, reduce competition, and create bottlenecks—particularly for smaller or State qualified issuers—without improving audit or examination quality. Additionally, the commenter stated that stablecoin-related engagements would not fall under the PCAOB inspection program, even if performed by a registered firm, and would instead be subject to the AICPA's robust peer review framework.

One commenter stated that if a payment stablecoin issuer is a subsidiary of an entity that is subject to the reporting requirements under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m, 78o(d)), the final rule could clarify whether the subsidiary's audited financial statements are still required, or if the parent's or holding company's consolidated audited financial statements are sufficient to comply with the rule's requirements. Consistent with the proposal, the OCC confirms that the audit requirement would not apply to a permitted payment stablecoin issuer whose parent company is subject to the reporting requirements under section 13(a) or 15(d) of the Securities Exchange Act of 1934 to the extent that the permitted payment stablecoin issuer's operations would be reflected in its parent company's applicable reports.

After carefully considering the comments, the OCC is adopting § 15.14(l) as proposed, with minor technical changes. First, the OCC is adding the word ''total consolidated'' in front of ''outstanding issuance value'' in light of changes to the definition of ''outstanding issuance value.'' These revisions do not change the substance of what was proposed in § 15.14(l). Second, the OCC replaced ''an annual financial statement that must include'' in proposed § 15.14(l) with ''an annual financial statement and the statement must include'' for clarity. Third, the OCC is adding the phrase ''rules and'' before ''auditing standards'' in § 15.14(l)(1) for clarity. The PCAOB's independence guidance is established through rules and not auditing standards, so the OCC is clarifying that all ''applicable rules and auditing standards'' apply to audits performed pursuant to § 15.14(l). The OCC is also replacing references to the ''Securities and Exchange Act'' with ''Securities Exchange Act.''

With respect to other comments, the OCC does not believe that additional changes to the regulation are necessary. Generally, the comments received related to proposed § 15.14(l) expressed opposition to the statutory audit requirements in section 4(a)(10) of the GENIUS Act (12 U.S.C. 5903(a)(10)) as opposed to the OCC's proposed implementation of the GENIUS Act's audit requirements. The comments were primarily focused on introducing clarifying language, implementing provisions that would relax the GENIUS Act's statutory requirements, and incorporating standards that were otherwise not provided for under the GENIUS Act. The OCC considered these recommendations and assessed whether there were compelling reasons to implement certain clarifications or modify the rule text to be more accommodating but ultimately concluded that the GENIUS Act clearly articulates the audit requirements for permitted payment stablecoin issuers, and the final rule text should adhere closely to the GENIUS Act. As such, the final rule's audit provisions closely match those of the GENIUS Act and are sufficiently clear. Further, the auditing standards, rules, and interpretations established by the PCAOB provide accounting firms with sufficient guidance to conduct audits in compliance with the statutory requirements of the GENIUS Act. Fourth, the OCC is replacing ''the end of its fiscal year'' in proposed § 15.14(l)(2)(ii) with ''the end of the permitted payment stablecoin issuer's fiscal year'' for clarity. Fifth, the OCC is renumbering paragraph (l)(2)(iii) to (l)(3) and making corresponding renumbering changes to the rest of the paragraph.

e. Change in Control

Proposed § 15.14(m) would have applied the change-in-control framework in 12 CFR 5.50 to any person seeking to acquire control of a permitted payment stablecoin issuer as if the issuer were a national bank. Section 15.14(m) further provided that this requirement does not apply where the transaction is already subject to the notice or application provisions of 12 CFR part 5 or § 15.30.

The OCC received several comments on proposed § 15.14(m). One commenter stated that the final rule should clarify that ''control'' for permitted payment stablecoin issuers must capture functional control, not only voting securities. The commenter explained that functional control can arise through contractual governance rights, administrative keys, privileged smart-contract controls, or other mechanisms that can materially affect issuance, reserve management, or redemption. The commenter also stated that the rule should state explicit consequences for noncompliance to improve enforceability and deter attempts to bypass review. One commenter, while a proponent of applying the 12 CFR 5.50 framework to change in control of permitted payment stablecoin issuers, advocated for any merger transaction involving a permitted payment stablecoin issuer to be considered a

[140] *See* PCAOB Bylaws and Rules, Section 3—Auditing and Related Professional Standards, Part 5—Ethics and Independence (September 3, 2025).

change in control under § 15.14(m) and to be subject to prior OCC approval. Another commenter requested that change-in-control requirements differentiate between permitted payment stablecoin issuers that are subsidiaries of banks and nonbank entities because the former group is already subject to comprehensive prudential supervision and, to promote parity and protect the safety and soundness of the financial system, any standalone obligations should solely apply to nonbank issuers.

After careful consideration of the comments, the OCC has decided to finalize § 15.14(m) as proposed with a clarifying edit to the cited definitions in § 15.14(m)(1). The framework in 12 CFR 5.50 has proven in practice to be operationally workable and to capture a wide range of transactions implicating control. Many transactions that involve the merger of permitted payment stablecoin issuers will have direct or indirect changes in ownership. Thus, such transactions would be subject to the provisions of § 15.14(m). For other merger transactions that would not implicate § 15.14(m), the OCC will continue to review and supervise the permitted payment stablecoin issuers in the ordinary course and would take supervisory or other action if appropriate to address concerns related to a merger. Therefore, permitted payment stablecoin issuers are encouraged to discuss any planned merger activity with the OCC to ensure consistency with OCC requirements and supervisory expectations.

With regard to noncompliance with the change-in-control regulations, section 6(b) of the GENIUS Act (12 U.S.C. 5905(b)) grants the OCC enforcement authority to pursue a variety of enforcement actions for violations of the GENIUS Act and its implementing regulations. Whether the OCC pursues an enforcement action and the type of enforcement action that the agency elects to pursue will be dictated by the facts and circumstances underlying any alleged violation of the GENIUS Act or the OCC's implementing regulations. Therefore, it is not necessary or appropriate to identify explicit consequences for noncompliance with the change-in-control regulations at this time.

f. Efficiency and Burden Reduction

Proposed § 15.14(n) provided that, in supervising and examining a permitted payment stablecoin issuer, the OCC will use existing reports and other supervisory information to the fullest extent possible. The OCC stated that this subsection was intended to reduce unnecessary burden by allowing the OCC to leverage information already available through existing reporting or supervisory channels.

Proposed § 15.14(o) provided that the OCC will, to the fullest extent possible, avoid duplication of examination activities, reporting requirements, and requests for information. The OCC stated that this subsection reflects an express effort to minimize redundant supervisory demands while preserving the OCC's ability to obtain information needed for effective oversight.

The OCC received a number of comments related to burden reduction and the avoidance of duplication. One commenter recommended that the agency explicitly recognize internal audit work product as a category of existing supervisory information that examiners may rely on where such work is relevant, current, and performed in accordance with recognized professional standards. The commenter claimed that this approach would reduce issuer compliance burden, improve supervisory efficiency, and create positive incentives for investment in high-quality internal audit programs.

Two commenters recommended that the OCC allow a permitted payment stablecoin issuer that is a subsidiary of an insured depository institution to leverage its parent's enterprise-wide risk management infrastructure, including risk appetite statements and third-party risk management programs, where appropriate, to satisfy risk-management and supervisory requirements. One of the commenters further recommended that the OCC include guidance to this effect in its commentary to the final rule and the Comptroller's Handbook. The OCC confirms that a permitted payment stablecoin issuer may leverage enterprise-wide infrastructure, provided that the permitted payment stablecoin issuer does so in compliance with the requirements of part 15.

Another commenter encouraged the OCC to develop centralized and standardized reporting mechanisms—such as a secure reporting portal—that are aligned with existing bank reporting systems and service provider capabilities. The commenter stated that new reporting requirements applicable to community banks should be limited, targeted, and designed to leverage data already maintained in the ordinary course of business. The commenter also claimed that stablecoin-related risks can be effectively evaluated by incorporating them into established examination modules. The commenter stated that stablecoin-related audit and reporting obligations for bank-affiliated issuers should be appropriately integrated into existing supervisory frameworks rather than imposed through separate or duplicative regimes. The OCC will continue to consider means of updating its reporting mechanisms, but no change in the text of the regulation is necessary at this time to address the comment.

Another commenter stated that the reporting requirements across weekly, monthly, and quarterly intervals should build on one another rather than requiring duplicative reporting. Monthly reports should, to the extent possible, draw from weekly reports, and likewise quarterly reports should draw from monthly reports. The commenter claimed that such an approach can reduce operational burden while preserving the OCC's and the public's ability to assess risk over time. The commenter also stated that to best minimize the duplication of reports, the OCC's focus should be on mitigating risk while encouraging innovation. The commenter stated that requiring duplicative reports does not provide additional risk-mitigation benefits while diverting resources and creating unnecessary burden.

Another commenter stated that the OCC can best minimize duplication by implementing a single annual audit package that satisfies overlapping requirements across § 15.14(l), monthly reserve examination outputs, and related financial-condition reporting fields, rather than requiring multiple separate submissions of the same underlying data. The commenter stated that the goal should be to collect the necessary information once, in a standardized format, and reuse it across the prudential framework where possible. For issuers, or their parents, that are already subject to Exchange Act reporting or meet the Act's $50 billion public accounting threshold, the OCC should not require additional duplicative reporting beyond what is necessary to capture stablecoin-specific fields that existing filings do not address.

Pursuant to its statutory obligations, the OCC will pursue supervisory policies that minimize duplication and maximize efficiency. The OCC notes, however, that the reports applicable to permitted payment stablecoin issuers serve distinct purposes. For example, the confidential weekly reporting is intended to provide detailed information that would be unnecessary to include in the quarterly or monthly reports. The monthly and quarterly reports are intended to provide information to the public and the OCC that may be stale or less valuable if received only on an annual basis.

After careful consideration of the comments, the OCC is finalizing § 15.14(n) and § 15.14(o) as proposed. As described above, the OCC is committed to pursuing supervisory policies that minimize duplication and maximize efficiency.

6. State Qualified Payment Stablecoin Issuers (§ 15.15)

a. Overview of Changes From Proposed Rule to Final Rule for § 15.15

The OCC proposed to issue § 15.15 to implement the GENIUS Act's transition standards for State qualified payment stablecoin issuers with an outstanding issuance value of more than $10 billion. Specifically, proposed § 15.15 would require an issuer to notify the OCC within five calendar days after the issuer triggers the transition threshold, request a waiver if the issuer seeks to remain supervised solely by the applicable State regulator, and, if applicable, provide the OCC with information necessary to evaluate an associated waiver request. Proposed § 15.15 would have also established a timeframe for the OCC's review of an issuer's waiver request. Proposed § 15.15(a) describes the scope of § 15.15 and provides that the section addresses requirements related to a State qualified payment stablecoin issuer that is a nonbank entity transitioning to the OCC's regulatory framework pursuant to section 4 of the GENIUS Act (12 U.S.C. 5903).

The OCC is adopting § 15.15(a) as proposed with edits. The OCC is separating proposed § 15.15(a) into § 15.15(a)(1) and (2), with § 15.15(a)(1) including the proposed language for § 15.15(a) and § 15.15(a)(2) clarifying that, for purposes of § 15.15, the term State qualified payment stablecoin issuer refers only to those that are nonbank entities. Other edits were made in final § 15.15 to conform to this clarification in final § 15.15(a)(2).

Additionally, the OCC is adopting § 15.15(b) largely as proposed with certain technical and clarifying edits. Specifically, in §§ 15.15(b)(1), (b)(1)(ii), (b)(2), (b)(2)(ii)(C), (b)(3), and (b)(4)(ii), the OCC is adding the phrase ''total consolidated'' before the defined term ''outstanding issuance value'' or replacing the phrase ''an outstanding issuance value'' with ''a total consolidated outstanding issuance value.'' The OCC is also deleting surplus language in § 15.15(b)(1) and adding clarifying language to § 15.15(b)(1)(ii) and (b)(4)(i). Additionally, in § 15.15(b)(3)(iv), the OCC is capitalizing the word ''State.'' The OCC is adopting § 15.15(c) as proposed. In § 15.15(d), the OCC is separating proposed § 15.15(d)(1) into § 15.15(d)(1)(i) and (ii). Within the language proposed as the last sentence in § 15.15(d)(1), the OCC is replacing ''State payment stablecoin issuer'' with ''State payment stablecoin regulator'' as well as adding the words ''total consolidated'' prior to ''outstanding issuance value'' and adding the word ''threshold'' to the end of the final sentence. Similarly, in § 15.15(d)(2)(iv), the OCC is replacing the term ''State qualified payment stablecoin issuer'' with the term ''State payment stablecoin regulator.'' Otherwise, the OCC is adopting § 15.15(d) as proposed. The OCC is also adding new § 15.15(e)(1) to provide that a State qualified payment stablecoin issuer that is a nonbank entity that has transitioned to the OCC's Federal regulatory framework pursuant to § 15.15 is not generally required to comply with part 15 and will cease to be supervised by the OCC upon the OCC's determination that the State qualified payment stablecoin issuer no longer exceeds $10 billion in total consolidated outstanding issuance value. Moreover, the OCC is adding new § 15.15(e)(2) to provide that the OCC may make the determination in § 15.15(e)(1) upon the request of the payment stablecoin issuer supplemented by any information reasonably required by the OCC or without such a request.

b. Transition to Federal Oversight

i. Description of the Proposed Rule

Section 4(d) of the GENIUS Act (12 U.S.C. 5903(d)) addresses the transition of State qualified payment stablecoin issuers that are not State-chartered depository institutions to Federal oversight and provides the OCC with authority to supervise such issuers jointly with the relevant State payment stablecoin regulator.[141] Proposed § 15.15(b)(1) would have implemented section 4(d)(2) of the GENIUS Act (12 U.S.C. 5903(d)(2)) and would have required a State qualified payment stablecoin issuer that is a nonbank entity that crosses the $10 billion outstanding issuance threshold to transition to the Federal regulatory framework under proposed part 15 and to comply with the provisions of part 15 applicable to Federal qualified payment stablecoin issuers within 360 days or cease issuing, on a net basis, new payment stablecoins until the State qualified payment stablecoin issuer's outstanding issuance value is under the $10 billion threshold.

Section 4(h) of the GENIUS Act (12 U.S.C. 5903(h)) authorizes the OCC to issue regulations necessary to administer and carry out the GENIUS Act's requirements and prevent evasion thereof. To facilitate an orderly transition to Federal oversight, ensure compliance with the GENIUS Act's transition requirements, and manage agency resources, proposed § 15.15(b)(2)(i) would have required a nonbank State qualified payment stablecoin issuer of a payment stablecoin with an outstanding issuance value of more than $10 billion to provide written notification to the OCC within five calendar days after reaching such threshold.[142] Proposed § 15.15(b)(2)(ii) provided that the written notification would need to include the following information: the State or States that currently regulate the State qualified payment stablecoin issuer; the State qualified payment stablecoin issuer's outstanding issuance value as of the date of the notice; the date that the issuer reached the $10 billion outstanding issuance value threshold; and indication of whether and when the issuer has ceased issuing, on a net basis, new payment stablecoins and whether the issuer intends to seek a waiver from transitioning to the Federal regulatory framework.

Proposed § 15.15(b)(4) provided clarity as to when a State qualified payment stablecoin issuer transitions to the Federal regulatory framework. Proposed § 15.15(b)(4)(i) would have required a State qualified payment stablecoin issuer to provide notification to the OCC that it is in compliance with the Federal regulatory framework implemented under proposed part 15. If the State qualified payment stablecoin issuer were not in compliance with the Federal regulatory framework in proposed part 15, the written notice would have needed to identify the provisions that the issuer does not comply with, provide the issuer's plan for remediating its noncompliance, and explain why the issuer did not comply with the Federal regulatory framework within the 360-day transition period. Under proposed § 15.15(b)(4)(ii), a State qualified payment stablecoin issuer that

[141] Section 4(d)(2) of the GENIUS Act (12 U.S.C. 5903(d)(2)) refers to State qualified payment stablecoin issuers other than State-chartered depository institutions (addressed in section 4(d)(1) of the Act). For simplicity, proposed § 15.15 referred to State qualified payment stablecoin issuers that are nonbank entities. Nonbank entity is defined by the Act to mean a person that is not a depository institution or a subsidiary of a depository institution. 12 U.S.C. 5901(20).

[142] The proposal would have required a nonbank State qualified payment stablecoin issuer to provide written notification to the OCC, regardless of whether it intends to issue new payment stablecoins.

does not cease issuing new payment stablecoins would have needed to transition to the Federal regulatory framework on the earlier of 360 days after reaching the $10 billion outstanding issuance value threshold or the date on which the State qualified payment stablecoin issuer provides written notification under paragraph (b)(4)(i).

To facilitate an orderly transition process, proposed § 15.15(b)(3)(i) would have required a State qualified payment stablecoin issuer that is a nonbank entity to submit an analysis of the issuer's current capital position and anticipated capital needs, sufficient to ensure ongoing operations, based on its business model and risk profile to the OCC within 270 days of reaching the $10 billion outstanding issuance value threshold. Proposed § 15.15(b)(3)(ii) provided that the OCC would review the submitted analysis and establish a minimum capital requirement pursuant to proposed § 15.41(a)(1). Proposed § 15.15(b)(3)(iii) provided that, for purposes of complying with the transition requirements under proposed § 15.15(b)(1)(i), the issuer would need to hold minimum capital as specified under § 15.41(a)(1)(ii) prior to the issuer's transition date. Proposed § 15.15(b)(3)(iv) provided that a State qualified payment stablecoin issuer would not have needed to submit an analysis of its capital if it received a waiver under proposed § 15.15(d) or was not required to transition to the OCC's Federal regulatory framework under § 15.15(b)(1)(ii).

Under § 15.15(c), the OCC proposed to require that a State qualified payment stablecoin issuer that transitions to the regulatory framework under proposed part 15 must undergo an initial examination at the OCC's request or no later than six months after the date on which the State qualified payment stablecoin issuer provides written notification under proposed § 15.15(b)(4)(i).

ii. Description of Comments and Final Rule

A few commenters suggested extending the 360-day transition timeline or providing case-by-case extensions (including for permitted payment stablecoin issuers that request but do not receive a waiver). The OCC is finalizing § 15.15(b)(1) as proposed with technical changes. The final rule includes the words ''total consolidated'' in front of ''outstanding issuance value.'' These revisions do not result in a substantive change but are necessary in light of the changes to the definition of outstanding issuance value. The OCC is also deleting surplus language from paragraph (b)(1) and clarifying in paragraph (b)(1)(ii) that the paragraph applies to a State qualified payment stablecoin issuer.

The 360-day transition deadline is a statutory requirement, and the OCC is not authorized to extend it. Consistent with the proposed rule, the final rule clarifies that the State qualified payment stablecoin issuer would cease issuing new payment stablecoins on a net basis. This is to permit a State qualified payment stablecoin issuer to freeze, burn, mint, and issue new payment stablecoins to the extent necessary to transfer stablecoins from one blockchain to another without increasing the total outstanding issuance of the State qualified payment stablecoin issuer.

Related to the 360-day transition requirement, question 138 of the proposed rule asked whether the $10 billion threshold should be based on a point in time or a rolling average and whether the $10 billion threshold should take into account the outstanding issuance value of any payment stablecoins issued by non-consolidated affiliates of the State qualified payment stablecoin issuer.

The OCC received several comments concerning how to calculate outstanding issuance value for purposes of the 360-day transition requirement. A few commenters generally suggested that the OCC should calculate outstanding issuance value as a point-in-time threshold. On the other hand, a few commenters generally suggested that the OCC should calculate outstanding issuance value as a rolling average.

After consideration of the comments, the OCC confirms that the transition threshold is determined through a point-in-time calculation and will not be based on a rolling average. Adopting a point-in-time calculation will safeguard against outstanding issuance value manipulation by a State qualified payment stablecoin issuer that seeks to delay or avoid complying with the 360-day transition requirement. A rolling average calculated over a meaningfully long period of time could, in effect, extend the date of transition to the Federal regulatory framework beyond what Congress intended. Moreover, the OCC generally expects that a State qualified payment stablecoin issuer's outstanding issuance value is unlikely to meaningfully fluctuate back and forth across the $10 billion threshold. Thus, there would be relatively little utility gained from using a rolling average to calculate the threshold.

Additionally, the OCC received a few comments concerning whether to include payment stablecoins issued by non-consolidated affiliates in the calculation of outstanding issuance value for purposes of the 360-day transition requirement. A few commenters generally suggested that outstanding issuance value should not automatically include non-consolidated affiliates. Another commenter generally suggested that the OCC should include non-consolidated affiliates.

After consideration of the comments, the OCC is clarifying that a State qualified payment stablecoin issuer would not be required to include payment stablecoins issued by non-consolidated affiliates in its calculation of outstanding issuance value for purposes of the 360-day transition requirements. The OCC notes, however, that in certain situations, the OCC may consider a non-consolidated affiliate's issuance. For example, if a State qualified payment stablecoin issuer treats affiliate-issued payment stablecoins as fungible with its own or appears to use affiliates solely to stay under the $10 billion threshold for transition to the Federal framework, such behavior could indicate an attempt to evade the GENIUS Act or could, depending on the facts and circumstances, indicate unusual and exigent circumstances within the meaning of section 7 of the GENIUS Act (12 U.S.C. 5906).

The OCC received several comments concerning the five-day notification requirement in proposed § 15.15(b)(2). One commenter suggested that five calendar days would be operationally feasible for issuers large enough to trigger the $10 billion outstanding issuance value threshold. The commenter further explained that five calendar days would provide the OCC with timely visibility into the State qualified payment stablecoin issuer.

A few commenters suggested that the OCC should extend the threshold notification deadline, for example, to 10 or 15 business days. One commenter suggested a five-day deadline would not provide enough time for the State qualified payment stablecoin issuer to assess compliance implications, coordinate with State regulators, and complete substantive notification requirements. Another commenter generally suggested the OCC should extend the notification deadline to better reflect the operational and governance realities of State qualified payment stablecoin issuers.

The OCC is finalizing the five-day threshold notification deadline and information submission requirements as proposed with one non-substantive change. For the reasons discussed above, the final rule includes the words

''total consolidated'' in front of ''outstanding issuance value.'' Consistent with section 4(h) of the GENIUS Act (12 U.S.C. 5903(h)), a five-day notification requirement would facilitate an orderly transition to Federal oversight, compliance with the GENIUS Act's transition requirements, and agency resource management. Further, the transition notification requirement would apply only after a State qualified payment stablecoin issuer exceeds $10 billion in outstanding issuance value.[143] State qualified payment stablecoin issuers of this size should have the capabilities to appropriately monitor issuance volume as a matter of basic risk management. Moreover, only limited information is required to be included in the initial notification.

The OCC did not receive comments specific to the transition date and compliance notification requirements. The OCC is finalizing § 15.15(b)(4) as proposed with one non-substantive change. For the reasons discussed above, the final rule includes the words ''total consolidated'' in front of ''issuance value.'' As discussed in the proposed rule, regardless of whether the OCC receives notice under § 15.15(b)(4), the OCC reserves the right to pursue appropriate action to ensure compliance with the GENIUS Act with respect to a State qualified payment stablecoin issuer that transitions to the Federal regulatory framework administered by the OCC.

The OCC received several comments related to the OCC adopting a mechanism for a previously transitioned State qualified payment stablecoin issuer to transition back to sole State supervision. A few commenters suggested the OCC should not permit State qualified payment stablecoin issuers to transition back to sole State supervision and expressed concerns such a mechanism could lead to regulatory arbitrage concerns. A few commenters suggested that the OCC should permit State qualified payment stablecoin issuers to transition back to sole State supervision. One of these commenters suggested that the OCC does not have authority to prevent a State qualified payment stablecoin issuer with less than $10 billion in outstanding issuance value from transitioning back to sole State supervision.

After consideration of the comments, the OCC is adding final § 15.15(e)(1) to specify that a State qualified payment stablecoin issuer that is a nonbank entity that has transitioned to the OCC's Federal regulatory framework pursuant to § 15.15 is not generally required to comply with part 15 and will cease to be supervised by the OCC upon the OCC's determination that the State qualified payment stablecoin issuer no longer exceeds $10 billion in total consolidated outstanding issuance value. Final § 15.15(e)(2) clarifies that the OCC may make this determination based on an issuer's request or issue a determination without such a request. Sections 6(a) and (b) of the GENIUS Act provide the OCC with supervision and enforcement authority, respectively, over ''[e]ach permitted payment stablecoin issuer that is not a State qualified payment stablecoin issuer with a payment stablecoin with a consolidated total outstanding issuance of less than $10 [billion]. . . .'' The OCC has determined that § 15.15(e) is consistent with the scope of the OCC's supervisory and enforcement authority over State qualified payment stablecoin issuers. Additionally, the OCC may review an issuer's request under section 15.15(e) to prevent evasion of section 4 of the GENIUS Act (12 U.S.C. 5903) and its implementing regulations, consistent with section 4(h) of the GENIUS Act (12 U.S.C. 5903(h)). The OCC would retain its backup enforcement authority over State qualified payment stablecoin issuers that transition back to being supervised solely by a State under section 7(e)(2) of the GENIUS Act (12 U.S.C. 5906(e)(2)).

The OCC received a few comments on the proposed capital analysis requirement. One commenter suggested that the 270-day timeline is reasonable. Another commenter suggested that the capital analysis should be tailored to the size and operations of the applicant. After consideration of the comments, the OCC is finalizing § 15.15(b)(3) as proposed with one non-substantive change. For the reasons discussed above, the final rule includes the words ''total consolidated'' in front of ''issuance value.'' As discussed in § 15.41(a)(1), section 4(a)(4)(A)(i) of the GENIUS Act (12 U.S.C. 5903(a)(4)(A)(i)) requires the OCC to tailor capital requirements to the business model and risk profile of the permitted payment stablecoin issuer and to not exceed requirements sufficient to ensure the ongoing operations of permitted payment stablecoin issuers. Consistent with this requirement, the OCC expects a State qualified payment stablecoin issuer to provide a capital analysis with information sufficient for the OCC to evaluate the issuer's current capital position and anticipated capital needs based on its business model and risk profile. The OCC expects all permitted payment stablecoin issuers, including State qualified payment stablecoin issuers, to maintain capital commensurate with the level and nature of all risks to which the permitted payment stablecoin issuer is exposed.

As discussed above, a State qualified payment stablecoin issuer that seeks to transition to the Federal regulatory framework before the end of the 360-day period must certify its compliance with part 15, including applicable capital requirements. State qualified payment stablecoin issuers that seek to transition early are therefore encouraged to submit their capital analysis to the OCC early, to ensure adequate time to address any deficiencies and raise additional capital if necessary.

A few commenters addressed the timing of the initial examination requirement for State qualified payment stablecoin issuers. One commenter suggested that the initial examination should take place prior to the issuer's transition date. Another commenter suggested that while the six-month time frame is reasonable, the OCC should consider more closely aligning the examination date with the transition waiver requirements. Another commenter expressed concerns that transitioned State issuers should be required to adhere to similar regulatory standards as Federal qualified payment stablecoin issuers.

After consideration of the comments, the OCC is finalizing the examination requirement as proposed. A State qualified payment stablecoin issuer that is required to transition to the Federal regulatory framework must do so within 360 days of exceeding the $10 billion outstanding issuance value threshold. Under final § 15.15(d), a State qualified payment stablecoin issuer may request a waiver from the transition requirements within 240 days of exceeding the $10 billion outstanding issuance value threshold. The OCC has determined that requiring a transitioned State qualified payment stablecoin issuer to undergo an initial examination no later than six months after its transition date would facilitate the issuer's pre-transition requirements while retaining flexibility for the OCC to require an earlier examination on a case-by-case basis. Because a State qualified payment stablecoin issuer that transitions to the Federal framework will already be in operation, the OCC intends to conduct this examination well before the six-month outer limit proposed to ensure that the issuer can effectively operate under the Federal framework.

[143] As clarified in the proposed rule, a nonbank State qualified payment stablecoin issuer is required to provide written notification to the OCC, regardless of whether it intends to issue new payment stablecoins.

Additionally, while the OCC does not generally plan to conduct a full-scope examination prior to the issuer's transition date, the OCC retains discretion to request additional information about the operations and condition of the State qualified payment stablecoin issuer prior to the transition date.

c. Waiver From Federal Supervision

i. Description of the Proposed Rule

Notwithstanding the transition requirements discussed above, under section 4(d)(3) of the GENIUS Act (12 U.S.C. 5903(d)(3)), the OCC may permit a nonbank State qualified payment stablecoin issuer that reaches the $10 billion threshold to remain solely supervised by a State payment stablecoin regulator. In determining whether to issue a waiver from Federal supervision, proposed § 15.15(d)(2) would have implemented the requirement in the statute that provides that the OCC must consider four exclusive criteria: the capital maintained by the State qualified payment stablecoin issuer; the past operations and examination history of the State qualified payment stablecoin issuer; the experience of the State payment stablecoin regulator in supervising payment stablecoin and digital asset activities; and the supervisory framework, including regulations and guidance, of the State payment stablecoin regulator with respect to payment stablecoins and digital assets.

Proposed § 15.15(d)(1) would have required a State qualified payment stablecoin issuer seeking a waiver to submit a written waiver request to the OCC within 240 days of reaching the $10 billion outstanding issuance value threshold.[144] The request would have needed to include information necessary for the OCC to evaluate the waiver criteria enumerated in proposed § 15.15(d)(2) and (3), discussed below. The preamble to the proposed rule specified that such information may have included the State qualified payment stablecoin issuer's reports of condition and examination, financial statements, investor statements, reports that detail significant examination findings, business activities, existence of past or current enforcement orders, and disclosure of any violations of law, as well as other information as requested by the OCC. Additionally, the waiver request would have described whether the State payment stablecoin regulator has experience regulating entities that have a similar risk profile. The waiver request would have also included information regarding the frequency and depth of the State payment stablecoin regulator's examinations.

Proposed § 15.15(d)(3) incorporated the waiver presumption standards for a State qualified payment stablecoin issuer that submits a waiver request. Consistent with section 4(d)(3)(C) of the Act (12 U.S.C. 5903(d)(3)(C)), the OCC would have presumptively approved a waiver request if the relevant State payment stablecoin regulator had (1) established a prudential regulatory regime for the supervision of digital assets or payment stablecoins as of April 19, 2025, that had been certified pursuant to section 4(c) of the Act (12 U.S.C. 5903(c)) and (2) approved one or more issuers to issue payment stablecoins under the supervision of such State payment stablecoin regulator. The waiver presumption would have been lost if the OCC found, by clear and convincing evidence, that the State qualified payment stablecoin issuer did not substantially meet the waiver criteria in proposed § 15.15(d)(2) or that the issuer posed significant safety and soundness risks to the financial system of the United States. If an issuer believed it qualified for the waiver presumption, it would have needed to indicate so in the waiver request and provide information sufficient for the OCC to evaluate the waiver presumption standards.

ii. Description of Comments and Final Rule

The OCC received several comments concerning the criteria the OCC should consider when evaluating a waiver request in proposed § 15.15(d). A few commenters suggested that the OCC should require waiver applicants to submit specific information, such as reports of examination, or demonstrate that the issuer would not present financial stability and safety and soundness risks. A few commenters suggested that the OCC should establish benchmarks, explicit standards, or other guidelines for when an issuer would satisfy the waiver approval criteria. A few commenters suggested that the OCC should not adopt bright-line rules or require issuers to provide additional information in connection with a waiver request. One commenter suggested that the OCC should subject waiver requests from large issuers to heightened scrutiny and require issuers to demonstrate that waiver approval would not introduce financial stability risks, have an anti-competitive effect, or create a heightened risk of illicit finance. Finally, one commenter noted that § 15.15(d) included two references to State qualified payment stablecoin issuers that should have referred to State payment stablecoin regulators.

The OCC is finalizing the waiver approval criteria as proposed with a technical fix to change a reference to ''State qualified payment stablecoin regulator'' in § 15.15(d)(2)(iv) to ''State payment stablecoin regulator.'' The GENIUS Act requires the OCC to consider four exclusive criteria when reviewing a waiver request. The OCC is not authorized to consider additional criteria and, accordingly, is finalizing the four criteria as proposed. Adopting bright-line requirements or presumptive standards would not facilitate the fact-specific nature of waiver requests, as State qualified payment stablecoin issuers may have varying business models, risk tolerances, scale of operations, and regulatory backgrounds. The OCC will review the issuer's waiver request and any associated information in relation to the waiver criteria.

Under § 15.15(d)(1) of the final rule, a waiver applicant must submit to the OCC a written waiver request containing information necessary to evaluate such request under paragraphs (d)(2) and (3) of that section. Such information may include the State qualified payment stablecoin issuer's reports of condition and examination, financial statements, investor statements, reports that detail significant examination findings, business activities, existence of past or current enforcement orders, and disclosure of any violations of law, as well as other information as requested by the OCC. Additionally, the waiver request may describe whether the State payment stablecoin regulator has experience regulating entities that have a similar risk profile. The waiver request may also include information regarding the frequency and depth of the State payment stablecoin regulator's examinations. The OCC is adopting § 15.15(d)(1) with a technical fix to change a reference to a ''State payment stablecoin issuer'' to ''State payment stablecoin regulator.'' In addition, for the reasons discussed above, the final rule includes the words ''total consolidated'' in front of ''issuance value.'' The OCC is also making a technical change to add the word ''threshold'' at the end of paragraph (d)(1).

Finally, a few commenters expressed concerns that the proposal did not specify standards for determining whether a State regulatory framework is ''substantially similar'' to the Federal regulatory framework for Federal

[144] The OCC could also issue a waiver of its own accord, provided that it has information sufficient to evaluate the statutory criteria for issuing waivers.

qualified payment stablecoin issuers. One of these commenters expressed concerns that the OCC's proposed rule did not provide standards governing the application and approval of State qualified payment stablecoin issuers by State regulators. While the OCC will evaluate the experience and supervisory framework of a State payment stablecoin regulator when reviewing a waiver request, the Treasury Department is tasked with establishing broad-based principles for determining whether a State-level regulatory regime is substantially similar to the Federal regulatory framework under § 4(c) of the Act (12 U.S.C. 5903(c)).[145] Similarly, the OCC does not have authority to establish standards governing the application and approval of State qualified payment stablecoin issuers by State regulators. Accordingly, the final rule does not adopt the commenters' proposed changes.

The proposed rule asked whether waivers approved under proposed § 15.15(d) should be subject to renewal over some time period (*e.g.*, one or five years) to ensure that the State qualified payment stablecoin issuer continues to meet the waiver criteria. The proposed rule also asked whether the OCC should reserve the right to discontinue a waiver and, if so, whether 100 days would be a reasonable period to provide notice to the State qualified payment stablecoin issuer.

The OCC received several comments that generally support the OCC retaining discretion to discontinue an approved waiver, impose conditions related to an approved waiver, or require periodic recertification of waiver approvals. One of these commenters suggested that a 100-day notice period would be appropriate. The OCC received one comment that suggests the OCC does not have authority to re-examine the status of a State qualified payment stablecoin issuer that receives a waiver. Another commenter suggested the OCC should limit waiver discontinuance to circumstances where the relevant State payment stablecoin regulator has been decertified under § 4(c) of the GENIUS Act.

After consideration of the comments, the OCC is finalizing the rule as proposed with clarifying edits. The OCC is clarifying that a waiver request approved under § 15.15 may include conditions related to the State qualified payment stablecoin issuer's continued compliance with the waiver approval criteria under § 15.15(d)(2) and (3). Subjecting waivers to conditional approval will facilitate the OCC's statutory mandate to ensure it provides transition waivers for State qualified payment stablecoin issuers that satisfy the waiver criteria. Conditional waiver approvals will also provide the OCC with an explicit mechanism for addressing potential evasion of the GENIUS Act's requirements, such as where a waiver determination is made based on materially inaccurate or misleading information.

The OCC received a few comments concerning the timing requirement for submitting a waiver request under proposed § 15.15(d)(1). One commenter suggested that the OCC should extend the 240-day waiver request deadline to the maximum extent provided by law. Another commenter suggested the OCC should permit a State qualified payment stablecoin issuer to submit a waiver request prior to exceeding the $10 billion outstanding issuance value threshold.

To facilitate an orderly waiver process, the OCC is finalizing the 240-day waiver request deadline as proposed in final § 15.15(d)(1)(ii) with some additional clarifications. The GENIUS Act requires a State qualified payment stablecoin issuer to transition to the Federal regulatory framework within 360 days after exceeding the $10 billion outstanding issuance value threshold unless it ceases issuing payment stablecoins immediately or receives a waiver from the OCC. Requiring State qualified payment stablecoin issuers to request a waiver within 240 days after exceeding the $10 billion outstanding issuance value threshold will provide 120 days for the OCC to review and respond to the waiver request.[146] Nothing would prohibit a State qualified payment stablecoin issuer that exceeds the $10 billion threshold from seeking a waiver earlier, and State qualified payment stablecoin issuers are encouraged to submit waiver requests early to ensure adequate time and address any deficiencies.[147]

The OCC is also clarifying that a State qualified payment stablecoin issuer may submit a waiver request prior to exceeding the $10 billion outstanding issuance value threshold. The OCC will generally accept waiver requests where the State qualified payment stablecoin issuer makes a good faith determination to the OCC that it is likely to exceed the $10 billion outstanding issuance value threshold in the next 30 days. However, the OCC reserves the right to request that a waiver applicant revise, update, or provide further information related to any waiver request.

One commenter suggested that the OCC should clarify that a waiver request that meets presumption criteria will be considered approved as of the filing of such request, unless and until the OCC finds grounds to affirmatively deny the request based on the criteria contained in section 4(d)(3)(C)(ii) of the GENIUS Act (12 U.S.C. 5903(d)(3)(C)(ii)). The OCC is finalizing the waiver presumption standard as proposed. Under the final rule, a State qualified payment stablecoin issuer that submits a waiver request must receive OCC approval, even if the State qualified payment stablecoin issuer believes it qualifies for the presumption criteria. Requiring a State qualified payment stablecoin issuer to receive affirmative waiver approval from the OCC will promote consistent application of the waiver presumption standards and avoid potential confusion related to an issuer's transition obligations.

7. Unusual and Exigent Circumstances (§ 15.16)

a. Description of the Proposed Rule

The OCC proposed to issue § 15.16 to clarify the scope of the agency's enforcement authority over nonbank State qualified payment stablecoin issuers during unusual and exigent circumstances, including the review of OCC enforcement actions imposed pursuant to this authority.[148] Proposed § 15.16(a) would have addressed the scope of § 15.16 and the OCC's authority to impose restrictions on a State qualified payment stablecoin issuer that is a nonbank entity during unusual and exigent circumstances, pursuant to section 7 of the GENIUS Act (12 U.S.C. 5906).

Section 7(e)(2)(B) of the GENIUS Act (12 U.S.C. 5906(e)(2)(B)) requires the OCC to issue rules to set forth the unusual and exigent circumstances in which the OCC would exercise its enforcement authority against nonbank State qualified payment stablecoin issuers. Section 7(e)(2) of the GENIUS Act provides that, during ''unusual and

[145] *See GENIUS Act Broad-Based Principles for Determining Whether a State-Level Regulatory Regime Is Substantially Similar to the Federal Regulatory Framework*, 91 FR 16844 (April 3, 2026).

[146] This would provide a similar timeframe to the OCC for evaluating waiver requests as the general 120-day timeline for evaluation of applications for national banks and Federal savings associations. *See* OCC, *Comptroller's Licensing Manual*, ''Charters'' 36 (2021).

[147] The OCC could also issue a waiver of its own accord, provided that it has information sufficient to evaluate the statutory criteria for issuing waivers.

[148] Proposed § 15.16 would address ''unusual and exigent circumstances'' only for purposes of section 7(e)(2) of the GENIUS Act (12 U.S.C. 5906(e)(2)); it would not interpret the meaning of that term under any other provision of law.

exigent circumstances,'' the OCC must take an enforcement action against a State qualified payment stablecoin issuer that is a nonbank entity for violations of the GENIUS Act, provided that the agency makes two determinations.[149] First, under the Act, the OCC must determine that ''unusual and exigent circumstances'' exist. Second, under the Act, the OCC must determine that there is reasonable cause to believe that the continuation of any activity by an issuer constitutes a serious risk to the financial safety, soundness, or stability of the issuer. Under the Act, if the OCC determines that both conditions are met, the OCC must impose such restrictions as the OCC determines to be necessary to address the serious risks to the issuer during the unusual and exigent circumstances. For example, under the Act, the OCC can limit a nonbank State qualified payment stablecoin issuer's affiliate transactions. The OCC may also limit nonbank State qualified payment stablecoin issuer activities that might create a serious risk that the liabilities of the issuer's holding company and its affiliates will be imposed on the issuer. The restrictions must be issued in the form of a directive, with the effect of a cease-and-desist order that has become final, to the nonbank State qualified payment stablecoin issuer and any of its affiliates.

Proposed § 15.16(b) would have incorporated the GENIUS Act's unusual and exigent circumstances requirement. Under proposed § 15.16(b), if the OCC determined that unusual and exigent circumstances existed, based on the information available to the OCC, and that there was reasonable cause to believe that the continuation of any activity, including failure to act,[150] by a State qualified payment stablecoin issuer that is a nonbank entity would have constituted a serious risk to the financial safety, soundness, or stability of the nonbank entity, the OCC would have imposed such restrictions as the OCC determined to be necessary to address such risk in the form of a directive. The Act provides three examples of the limitations that the OCC may impose, which were incorporated into proposed § 15.16(b). Such restrictions may include limitations on: (1) redemptions of payment stablecoins; (2) transactions between the State qualified payment stablecoin issuer, a holding company, and the subsidiaries or affiliates of either the State qualified payment stablecoin issuer or the holding company; and (3) any activities of the State qualified payment stablecoin issuer that might create a serious risk that the liabilities of a holding company and the affiliates of the holding company may be imposed on the State qualified payment stablecoin issuer.

Proposed § 15.16(c) set forth the criteria the OCC would have considered when determining whether unusual and exigent circumstances exist. Specifically, under the proposed rule, the OCC would have considered: (1) whether the State qualified payment stablecoin issuer is, or is expected to imminently be, engaging in an activity (including any act, practice, or omission) that poses an immediate risk to the financial safety, soundness, or stability of the issuer or the financial system of the United States; (2) the actions of the relevant State payment stablecoin regulator to promptly address the risk to the issuer or the financial system of the United States; (3) risks presented to payment stablecoin holders; and (4) any other factors the OCC deems appropriate in light of the particular circumstances, consistent with the purposes of the GENIUS Act.

The OCC's proposed criteria were intended to capture circumstances that involve an immediate financial risk that cannot be sufficiently addressed through normal supervisory channels. Accordingly, the OCC's proposed criteria focused on the immediacy of the financial risks, whether to the issuer, the stablecoin holders, or the financial system, and the actions of the relevant State payment stablecoin regulator to respond to those risks. The OCC preliminarily determined that adopting flexible criteria focused on these considerations, as opposed to a limited set of specific circumstances, would establish an appropriate balance between providing stakeholders with clarity on when the OCC would act pursuant to this authority while implementing the GENIUS Act's clear intention to permit the OCC to respond to evolving and unforeseeable circumstances. The OCC asked whether to include additional factors including (1) whether a State payment stablecoin regulator or a State qualified payment stablecoin issuer has made a request for the OCC to exercise its unusual and exigent circumstances authority; (2) significant price fluctuations in the secondary market for the State qualified payment stablecoin issuer's payment stablecoin; (3) whether the State qualified payment stablecoin issuer has been, or will imminently be, unable to timely redeem its payment stablecoin; (4) whether the State qualified payment stablecoin issuer has incurred significant unanticipated losses; and (5) whether the State qualified payment stablecoin issuer has deployed nonstandard liquidity management tools.

Finally, proposed § 15.16(d) would have clarified that the administrative review procedures described in section 7(e)(2)(D) of the Act (12 U.S.C. 5906(e)(2)(D)) are applicable to a State qualified payment stablecoin issuer or any institution-affiliated party subject to an unusual and exigent circumstances directive.

b. Description of Comments and Final Rule

The OCC did not receive comments specific to implementing the GENIUS Act's statutory criteria in proposed § 15.16(b). Accordingly, the OCC is finalizing § 15.16(b), with one minor clarification and a technical correction. The final rule clarifies that the list of limitations that the OCC may impose in § 15.16(b)(1) through (3) is not exhaustive. This is consistent with the language in the proposed rule. The final rule, however, adds the phrase, ''but not limited to'' for the avoidance of doubt.

Several commenters suggested the OCC should provide examples or additional guidance concerning when the OCC would invoke its unusual and exigent circumstances authority in proposed § 15.16(c). One of these commenters suggested that the OCC should consider a broad and flexible set of criteria for assessing unusual and exigent circumstances, including secondary market price fluctuations. Two of these commenters suggested that secondary market price fluctuations should carry little to no weight independently, as market prices can reflect localized trading conditions, fragmented liquidity, or external sentiment. One of these commenters suggested that the OCC should consider whether a state regulator has requested Federal assistance.

After consideration of the comments, the OCC is finalizing the unusual and exigent circumstances factors with certain additions and clarifications. The final rule includes certain additional factors for which the OCC requested comment. Under the final rule, the OCC will consider: (1) whether the State qualified payment stablecoin issuer is, or is expected to imminently be, engaging in an activity (including any act, practice, or omission) that poses an immediate risk to the financial safety,

[149] The GENIUS Act does not impose these limitations on the enforcement authority of State payment stablecoin regulators. *See* 12 U.S.C. 5906(a).

[150] Proposed § 15.16(b) clarified that failure to act also constitutes the continuation of an activity, as contemplated by section 7(e)(2)(C) of the GENIUS Act (12 U.S.C. 5906(e)(2)(C)).

soundness, or stability of the issuer or the financial system of the United States; (2) the actions of the relevant State payment stablecoin regulator to promptly address the risk to the issuer or the financial system of the United States; (3) risks presented to payment stablecoin holders; (4) any request from the State qualified payment stablecoin issuer or State payment stablecoin regulator for the OCC to exercise its authority under section 7(e)(2) of the GENIUS Act (12 U.S.C. 5906(e)(2)); (5) significant fluctuations in the secondary market price of payment stablecoins issued by the State qualified payment stablecoin issuer; (6) whether the State qualified payment stablecoin issuer has been, or will imminently be, unable to timely redeem payment stablecoins issued by the State qualified payment stablecoin issuer; (7) whether the State qualified payment stablecoin issuer has incurred significant unanticipated losses; and (8) any other factor the OCC deems appropriate in light of the particular circumstances and consistent with the purposes of the GENIUS Act. The OCC has added these additional factors to provide additional clarity on the indicia that the OCC believes could warrant exercising the OCC's authority under section 7(e)(2) of the GENIUS Act (12 U.S.C. 5906(e)(2)).

The OCC's finalized unusual and exigent circumstances factors are intended to capture circumstances that involve or could indicate an immediate financial risk that cannot be sufficiently addressed through normal supervisory channels. Accordingly, the final factors focus on the immediacy of the financial risks and factors likely to correlate with such risks, whether to the issuer, the stablecoin holders, or the financial system, and the actions of the relevant State payment stablecoin regulator to respond to those risks. The OCC determined that adopting flexible criteria focused on these considerations, as opposed to a limited set of specific circumstances, would establish an appropriate balance between providing stakeholders with clarity on when the OCC would act pursuant to this authority while implementing the GENIUS Act's clear intention to permit the OCC to respond to evolving and unforeseeable circumstances.

The proposed rule also asked whether the OCC should publicly disclose when it determines that unusual and exigent circumstances exist. Several commenters suggested that the OCC should not automatically disclose directives made pursuant to the OCC's unusual and exigent circumstances authority. Most of these commenters suggested that the OCC should avoid disclosure of confidential materials but retain discretion to make public disclosures as necessary to prevent future harm to the issuer or consumers. After consideration of the comments, the OCC is not adopting an automatic disclosure process for directives made pursuant to the OCC's unusual and exigent circumstances authority. Disclosures may be appropriate in certain circumstances, but an automatic process could pose significant risks to safety and soundness and financial stability. For example, a process that compelled immediate disclosures might cause or exacerbate a run while facts were still being developed and confirmed. The OCC may impose such restrictions as the OCC determines to be necessary to address serious risks to the issuer during the unusual and exigent circumstances.

Additionally, a few commenters provided suggestions related to coordinating with State regulators. A few commenters suggested the OCC should explicitly codify the statutory 48-hour notice requirement. One commenter suggested the OCC should consult with the State regulator prior to invoking its unusual and exigent circumstances authority. After consideration of the comments, the OCC is finalizing the rule as proposed. The GENIUS Act requires the OCC to comply with the 48-hour notice requirement and does not impose any requirements on State qualified payment stablecoin issuers. Although the OCC may consult with a State regulator, adopting a mandatory consultation requirement in addition to the 48-hour notice requirement could hinder the OCC's ability to quickly respond when there is a serious risk to the financial safety, soundness, or stability of a permitted payment stablecoin issuer.

The OCC did not receive comments specific to proposed § 15.16(d) and is finalizing the section as proposed.

C. Subpart C—Custody

1. Overview of Changes From Proposed Rule to Final Rule for Subpart C

The OCC is generally adopting subpart C as proposed with some modifications to enhance clarity described in more detail below.

The OCC is modifying the definition of ''covered assets'' in § 15.20 to make two clarifications. First, the covered assets definition in final § 15.20 is modified to clarify that the term ''covered assets'' only applies with respect to payment stablecoins that are offered, sold, or otherwise made available to persons in the United States. Second, the definition is modified to clarify that it includes only payment stablecoins used as collateral, where a covered custodian has actual knowledge that such payment stablecoins are being used as collateral. The OCC is also making non-substantive edits to the definition of sub-custodian.

In addition to a technical correction, the OCC is modifying § 15.21(a) to clarify that a covered custodian must separately record and account for the covered assets of a covered customer. The OCC is modifying § 15.21(b)(1) to clarify that taking appropriate steps to protect the covered assets of covered customers from the claims of creditors includes adopting, implementing, and maintaining written custody agreements. The OCC is making non-substantive edits to § 15.21(b)(2)(i). The OCC is modifying § 15.21(b)(2)(ii) to clarify that it applies to a private key used to issue a payment stablecoin held in safekeeping under subpart C and to delete an unnecessary reference to using a distributed ledger. The OCC is making non-substantive edits to § 15.21(c). The OCC is modifying § 15.21(d) to use the term covered custodian.

The OCC is modifying § 15.22(a) to add a reference to § 15.22(c). The OCC is modifying § 15.22(b) to clarify that steps to protect, possess, or control covered assets include appropriate recordkeeping.

The OCC is adding new § 15.22(c), which provides that notwithstanding any other provision of part 15 to the contrary, part 15 does not prevent a covered custodian from custodying its own assets and the covered assets of a covered customer at a sub-custodian where the sub-custodian may, for convenience, commingle the covered custodian's assets with the covered assets of its covered customers in one or more omnibus accounts of the sub-custodian; provided that the covered custodian maintains adequate safeguards and internal controls reasonably designed to ensure that the sub-custodian segregates all covered assets of the covered custodian's covered customers from, and does not commingle such covered assets with, the assets of the sub-custodian.

The OCC is modifying § 15.23 to clarify its application to covered assets and that the provision applies only to national banks, Federal savings associations, Federal branches, or permitted payment stablecoin issuers when these entities neither control nor hold themselves out as controlling the relevant private keys associated with covered assets nor provide or hold themselves out as providing safekeeping and custodial services for such assets.

2. Overview of Proposed Rule

Section 10 of the GENIUS Act (12 U.S.C. 5909) imposes requirements on any person seeking to provide custodial or safekeeping services for payment stablecoin reserve, payment stablecoins used as collateral, or the private keys used to issue permitted payment stablecoins. Among other things, section 10 of the Act requires such persons to be subject to supervision or regulation by a primary Federal payment stablecoin regulator, primary financial regulatory agency, or State bank supervisor, to treat covered assets as customer property, to separately account for and not commingle covered assets unless permitted under a listed exception, and to provide their regulator or supervisor with certain information as determined by that regulator or supervisor. Section 10 also provides a priority regime elevating the claims of payment stablecoin holders over other claims on persons providing custody and exempting certain persons providing hardware or software services from the requirements of section 10.

The OCC proposed to (1) establish relevant defined terms for purposes of subpart C to clarify the scope of custodial services to which subpart C would apply; (2) set minimum principles-based requirements for OCC-supervised institutions related to their provision of custodial or safekeeping services for the assets described in section 10 of the GENIUS Act that are appropriate to protect such custodied assets from the claims of creditors of the institution; and (3) implement other requirements and exclusions of the Act.

3. General Comments

The OCC received 54 comments on this subpart. Many commenters generally supported the OCC's objective of establishing a clear and prudentially sound regulatory framework for GENIUS Act custodial activities and urged the OCC generally to adopt an approach recognizing the particular legal and operational characteristics of custody arrangements while preserving necessary flexibility for regulated institutions.

4. Definitions (§ 15.20)

Broadly speaking, commenters were supportive of the proposed definitions in subpart C of the proposal. At a high level, several commenters stated that custody definitions should ensure technology neutrality and not codify practices, standards, or technologies that might quickly become outdated or impractical. The OCC agrees that its definitions are designed to be technology-neutral and functional, capable of being used without repeated amendment as technology changes.

The OCC proposed to define ''applicable law'' as ''the law of a State or other jurisdiction governing a covered custodian's custody relationships, any applicable Federal law governing those relationships, the terms of the custody agreement, and any applicable court order.'' The OCC received no material comments on this definition and finalizes it as proposed.

The OCC proposed to define ''covered assets'' as ''payment stablecoin reserves, payment stablecoins used as collateral, and private keys used to issue payment stablecoins, as well as cash and other property received in the course of the provision of custodial or safekeeping services for such assets.'' [151] In proposing this definition, the OCC asked whether it should define ''covered assets'' in such a way that the requirements of sections 10(a) through (c) of the GENIUS Act (12 U.S.C. 5909(a) through (c)) would be read together to cover the same set of assets and provide a cogent and harmonized set of requirements, or whether the OCC should replicate the statutory language regarding the scope of assets covered separately in paragraphs (a), (b), and (c).[152] Commenters primarily responded that the OCC's proposal to define ''covered assets'' in such a way that sections 10(a) through (c) of the Act would be read together to apply to all covered assets is a correct reading of the Act. Several commenters requested clarification that territorial application of subpart C be read to be coextensive with the territorial scope established in section 3 of the GENIUS Act.

The OCC agrees that the Act is primarily focused on payment stablecoins and that there is a presumption against extraterritorial application of United States law absent specific language to the contrary. As such, the OCC has clarified in the final rule that ''covered assets'' are only those assets associated with payment stablecoins that are offered, sold, or otherwise made available to persons in the United States.

Several commenters also requested further clarification of certain terms used in the definition of ''covered assets.'' For example, the OCC sought comment on whether it is the correct approach to interpret ''cash and other property'' as used in the definition of ''covered assets'' to refer only to the cash and other property that a covered custodian may receive in connection with the provision of custodial services for the Act's three core custody assets. Commenters generally agreed with the OCC's proposed approach but requested further clarification that cash held as a deposit liability at an insured depository institution is not and cannot be a custodial asset for purposes of the segregation requirements in subpart C. While the OCC acknowledges these commenters' concerns, it believes they are best addressed in the exception in § 15.21(d) regarding deposit liabilities discussed below, rather than scoping out all cash from the requirements of subpart C, given the GENIUS Act's explicit references to ''cash'' in section 10. Certain protections in the GENIUS Act applicable to custodied assets are relevant to cash received from covered customers. For example, a covered custodian must properly account for cash that makes up the reserves of a payment stablecoin and treat such cash as part of the custody relationship governed by the terms of any applicable custody agreement.

Other commenters requested that the phrase ''payment stablecoins used as collateral'' be further clarified, noting that a covered custodian may not necessarily know whether a custodied payment stablecoin is at any given time being held as collateral. Commenters suggested various amendments to the final rule including limiting the application of subpart C to either those situations in which the covered custodian is party to a collateral agreement with respect to the stablecoin used as collateral or to situations where the covered custodian knows or should have known that the custodied payment stablecoin is being used as collateral, or else requiring the covered custodian to undertake certain due diligence regarding the use of custodied payment stablecoins. The OCC acknowledges commenters' concerns and believes that an ''actual knowledge'' standard best balances the foregoing against the text and purpose of the Act. The OCC expects that in most cases, a covered custodian will have actual knowledge where it is a party to a collateral agreement, but the OCC believes that limiting the term only to such

[151] One commenter sought clarification of the meaning of the phrase ''private keys used to issue payment stablecoins.'' The OCC confirms that the term refers to the private keys used in the issuance process to create and mint stablecoins and not the private keys associated with end-user wallets. The latter reading would vastly expand the scope of the GENIUS Act's custody requirements and is inconsistent with the plain meaning of the text (''private keys used *to issue* payment stablecoins'' (emphasis added)). As such, the OCC believes it is appropriate to retain the phrase as proposed, which mirrors the statutory text.

[152] Nothing in the definition of ''covered asset'' is meant to affect priority under section 10(c)(3) of the GENIUS Act (12 U.S.C. 5909(c)(3)).

circumstances would be inconsistent with the Act, which does not refer to such agreements. However, including a constructive knowledge requirement may offer insufficient clarity and may incentivize covered custodians to implement burdensome due diligence requirements, which may be inconsistent with the norms of custody practices and the Act's principles-based, rather than prescriptive, approach to custody. As such, the final rule specifies that the term ''covered assets'' refers to ''payment stablecoins used as collateral, where a covered custodian has actual knowledge that such payment stablecoins are being used as collateral.''

The OCC proposed to define ''covered custodian'' to mean ''a national bank, Federal savings association, Federal branch, or permitted payment stablecoin issuer to the extent of such person's provision of custodial or safekeeping services for covered assets.'' [153] The OCC proposed to define ''covered customer'' to mean ''a person for or on whose behalf a covered custodian receives, acquires, or holds covered assets.'' The OCC proposed to define ''sub-custodian'' to mean ''a person that provides custody and safekeeping services to a covered custodian, including through a digital wallet for which such person controls the associated private keys, with respect to covered assets of a covered customer, for which the covered custodian otherwise serves as a custodian under this subpart.'' One commenter recommended narrowing the definition of ''covered customer'' to apply only to custodial or safekeeping services provided with respect to the issuance of ''payment stablecoins.'' The OCC declines to narrow the definition of ''covered customer'' in this manner as to do so would be contrary to the statute's definition of ''customer'' in section 10(b)(1) of the Act (12 U.S.C. 5909(b)(1)), which is not limited to the issuance of payment stablecoins. Other commenters asked that the OCC clarify that the terms ''covered custodian'' and ''sub-custodian'' do not include foreign entities. However, this reading appears contrary to the text of section 10 of the GENIUS Act, as well as its purpose, which largely seeks to insulate permitted payment stablecoin issuers and United States holders of payment stablecoins from potential complications related to a custodian's or sub-custodian's insolvency, failure to properly maintain and record custodied assets, or other issues. As such, the OCC is adopting these definitions as proposed, except for certain technical edits to the definition of sub-custodian, described below. The OCC notes that the changes to the definition of ''covered assets,'' described above, should prevent undue extraterritorial application of subpart C.

The OCC is making non-substantive changes to the definition of sub-custodian. Specifically, the final rule replaces the word ''such'' with ''the'' and eliminates an unnecessary comma.

The OCC proposed to define ''custody agreement'' as ''a legally binding contractual agreement between a covered customer, as the principal, and the covered custodian, as the agent, that establishes the covered custodian's duties and responsibilities in providing safekeeping and ancillary services to the covered customer.'' The OCC proposed to define ''digital wallet'' as ''a software program or hardware device that stores and manages the private keys associated with a particular unit of a digital asset.'' The OCC received no comments on these definitions and finalizes them as proposed.

The OCC requested comment on whether it would be helpful to define any other terms. One commenter recommended the OCC add a definition of the phrase ''custodial or safekeeping services'' as used in proposed subpart C. The OCC declines to define these terms as it believes the terms ''custody'' and ''safekeeping'' are well-established and well-understood terms and that adding a new definition may introduce confusion or be underinclusive or overinclusive.

5. Covered Asset Custodial Property Requirements (§ 15.21)

Proposed § 15.21 included certain minimum principles-based requirements applicable to a covered custodian's provision of custodial and safekeeping services for covered assets to ensure that such covered assets are treated and dealt with as belonging to the covered customers and protected from claims of the covered custodian's creditors, as well as the creditors of any sub-custodian, as applicable. Under proposed § 15.21(a), a covered custodian would have needed to separately account for the covered assets of each covered customer and would have had to treat and deal with those covered assets as belonging to such covered customer and not as the property of the covered custodian. Under proposed § 15.21(b), a covered custodian would have to take appropriate steps to protect the covered assets of covered customers from the claims of creditors of the covered custodian and any sub-custodian, as applicable, including through adopting, implementing, and maintaining written policies, procedures, and internal controls that are adequate to comply with applicable law and that are commensurate with the covered custodian's size, complexity, and risk profile and with the nature of the applicable covered assets for which it provides custodial or safekeeping services.

The OCC noted its belief that setting certain minimum principles-based requirements for the provision of these custody services, regardless of the use of omnibus accounts, is consistent with section 10(b)(2) of the GENIUS Act (12 U.S.C. 5909(b)(2)), which requires that applicable custodians ''take such steps as are appropriate to protect the [covered assets] of a customer from the claims of creditors of the [custodian]'' and section 13 of the GENIUS Act (12 U.S.C. 5913), which grants the OCC broad rulemaking authority to implement the GENIUS Act.

The OCC sought comment on whether the proposed principles-based requirements accurately capture sound custodial management practices that are standard in the industry. Commenters largely supported the OCC's principles-based approach in proposed § 15.21(a) and (b) as consistent with the GENIUS Act's own principles-based approach and as setting an appropriate baseline for sound custodial practice that is also sufficiently flexible to adapt to changing circumstances. Some commenters further noted that prescriptive requirements would not keep pace with technological changes and would impose disproportionate costs on smaller banks. Several commenters, however, recommended supplementing the principles-based approach with additional protections. Examples included mandated certifications (*e.g.,* a public attestation as to compliance with subpart C); specific real-time recordkeeping standards; minimum policies, procedures, and controls, such as for key management and robust systems to authenticate customer instructions before effecting transfers; minimum technical standards, such as multi-signature architecture and requirements concerning the geographic distribution of key shards, quantum computing risk management standards, incident response and recovery, and

[153] The OCC notes that, consistent with its authority, subpart C applies to national banks, Federal savings associations, and Federal branches. Entities that are not supervised by the OCC are not ''covered custodians'' for purposes of subpart C (though they may be sub-custodians). As such, the OCC has not addressed comments concerning the application of subpart C to such entities, other than in the context of sub-custodians. However, even though entities not supervised by the OCC are not ''covered custodians'' for purposes of subpart C, they may nevertheless be entities subject to compliance with section 10 of the GENIUS Act.

hardware specifications; special requirements related to smart contract administrative keys; mandatory contract provisions; real-time monitoring; regulatory reporting; independent audits; public disclosure; and a requirement that custody be conducted in a fiduciary capacity, among others.

Other commenters stated that the OCC should add additional requirements in instances in which an OCC-supervised permitted payment stablecoin issuer maintains any reserve assets without the use of a custodian or when a covered custodian provides safekeeping and custody services to an affiliate permitted payment stablecoin issuer or to a payment stablecoin issuer that is not supervised by the OCC. These commenters noted that so-called ''self-custody'' and affiliate custody of reserve assets may give rise to significant risks as there is no independent custodian to provide an added layer of protection to holders of the relevant payment stablecoin. Additionally, these commenters noted that non-OCC-supervised payment stablecoin issuers, especially foreign payment stablecoin issuers, may raise additional complications, including jurisdiction and choice of law issues. Commenters offered several examples of heightened requirements in such situations, including increased levels of capital and assessments; mandatory governance standards designed to ensure independence; disclosure obligations to payment stablecoin holders; examination standards that address intragroup conflicts of interest; and blanket prohibitions on ''self-custody,'' among other conditions.

A commenter suggested that as a condition to an OCC-supervised entity providing custody services to a foreign issuer, the OCC should require that the custodian's custody agreement authorize the custodian, and the custodian should be operationally prepared, to freeze, liquidate, or transfer reserve assets upon service of a final United States court order and stated that this requirement would be consistent with existing OCC requirements for custodians.

One commenter stated that a covered custodian's custody and safekeeping functions should be organizationally and functionally separate from any trading, lending, asset management, and other market-facing activities that the entity engages in, and that personnel with trading responsibilities should not participate in custody or safekeeping functions, in order to reduce conflicts of interest and protect customer assets from exposure to other business risks. Other commenters supported strong internal controls more broadly, including segregation of duties, independent validation, dual or multi-party approvals, and strong governance over issuance systems. Another commenter noted that while assets should be appropriately segregated and independently controlled, any personnel or governance requirements should be proportional to the size and complexity of the issuer and implemented through broader reserve asset and risk management standards rather than as a separate standalone requirement.

Adding additional prescriptive requirements discussed in comments to the rule would be contrary to a principles-based and technologically neutral approach. Moreover, the technical and prescriptive standards discussed in the comments may be overly burdensome and at risk of becoming outdated quickly. Covered custodians are already OCC-supervised entities subject to prudential supervision and regulation and the OCC has experience supervising crypto-asset custody. The GENIUS Act and part 15 already impose requirements on payment stablecoin issuers that would address stablecoin holder protection. A principles-based approach maintains flexibility and technology neutrality and avoids imposing undue burden. Regarding comments on self-custody and affiliate custody of payment stablecoin reserve assets, the OCC believes these concerns are best addressed in the section of the final rule applicable to reserve assets (see § 15.11). Therefore, the OCC declines to add further prescriptive requirements to §§ 15.21(a) or (b)(1).[154]

However, the OCC is adopting §§ 15.21(a) and (b)(1) with minor changes to address certain concerns of commenters. First, some commenters requested further clarity regarding the GENIUS Act's requirement, mirrored in § 15.21(a), that a covered custodian ''separately account'' for the covered assets for which it provides safekeeping and custody services. Sound custodial practices would entail that a covered custodian may not rely solely on a distributed ledger and must reconcile distributed ledger data, as applicable, with its internal records. As a point of clarity, the OCC is finalizing § 15.21(a) with a reference to a covered custodian's obligation to ''record,'' as well as to account for, the covered assets of a covered customer. Second, other commenters noted the importance of custody agreements in ensuring the protection of customers' covered assets in line with the GENIUS Act. The OCC is finalizing § 15.21(b) to include the adoption, implementation, and maintenance of written custody agreements among the other enumerated examples in that section.

The OCC also sought comment on whether the proposal provides enough detail regarding what steps are appropriate for a covered custodian to protect the covered assets of covered customers from the claims of creditors of the covered custodian. Several commenters recommended that the OCC provide guidance to facilitate compliance with the requirements of § 15.21 or with regard to specific situations concerning covered asset custodial property requirements, including managing third-party risk and incident response and recovery planning. While the OCC may consider future requests for supervisory guidance as needed, the agency believes doing so concurrent with publication of this final rule is premature as it may interfere with the development of industry best practices, may quickly become dated due to changing technological norms, and may risk appearing to set minimum requirements that undermine a principles-based approach.

Other commenters requested that the OCC create a safe harbor for good-faith attempts at compliance. One commenter offered that such a safe harbor could be conditioned on a covered custodian (1) not recording custodied covered assets, other than cash held as deposit liabilities, on its own balance sheet; and (2) providing prompt notice to covered customers, to the extent permitted by law, upon receipt of any adverse claims asserted against covered assets. The OCC believes a safe harbor for compliance with § 15.21(b)(1) is unnecessary, as custody is a long-established business with clear norms of operation and legal frameworks. Inclusion of a safe harbor could be potentially counterproductive as the minimum conditions of a safe harbor could effectively serve as a regulatory baseline that disincentivizes more rigorous custodial standards. Therefore, the OCC declines to include a safe harbor provision in § 15.21(b)(1).

[154] One commenter stated that the OCC should clarify that the custody, possession, and control concepts used in the final rule are not to be interpreted to alter or supersede the otherwise applicable rights and obligations of a custodian under OCC, SEC, or other applicable regulations. The commenter stated that the issue is particularly important for institutional custody models and for groups that include both bank and broker-dealer entities. The OCC believes that the principles-based framework articulated in § 15.21 is consistent with custodial standards otherwise applicable to OCC-supervised institutions. Therefore, the OCC does not believe any changes are necessary to § 15.21 to clarify the rights and obligations applicable to a custodian under other applicable regulations.

The OCC sought comment on whether, to the extent a covered custodian with fiduciary powers provides fiduciary services to a covered customer in connection with a customer's covered assets, the existing requirements of 12 CFR part 9 or part 150, as applicable, are appropriate to implement the GENIUS Act. Several commenters responded that the existing requirements in 12 CFR part 9 or part 150, as applicable, should generally be appropriate. However, several commenters noted that a directed custodian of covered assets should not be deemed to be providing services within a fiduciary capacity within the meaning of the OCC's fiduciary regulations solely for providing custody services, unless the service is expressly listed in 12 CFR 9.2(e) or the custodian has agreed with the customer to conduct the service in a fiduciary capacity, even if such services are considered ''fiduciary'' under State law. The OCC notes that whether an activity is conducted in a fiduciary capacity is based on the particular facts and circumstances and believes it would be neither appropriate nor consistent with law to opine in a general manner that any activity should be scoped out of its fiduciary regulations. Therefore, the OCC is adopting § 15.21(b)(1) as proposed.

Under proposed § 15.21(b)(2), a covered custodian would have been required to maintain possession or control of the covered assets of a covered customer that are held directly, including in a digital wallet for which the covered custodian controls the associated private keys. A covered custodian would have been able to maintain the covered assets of a covered customer through the use of a sub-custodian if consistent with applicable law and the covered custodian would have needed to maintain adequate safeguards and internal controls reasonably designed to provide the covered custodian with oversight of such sub-custodian's compliance with the requirements of proposed subpart C. Under the proposal, with regard to any payment stablecoin or stablecoin reserve in the form of a tokenized asset held in safekeeping under proposed subpart C, a covered custodian, or sub-custodian, as applicable, would have maintained control for purposes of the proposed requirement in paragraph (b)(2)(i) if it could reasonably demonstrate, consistent with the standard of care established by applicable law, that no other party, including the covered customer, can transfer the payment stablecoin or tokenized asset using a distributed ledger without the consent of the custodian or sub-custodian, as applicable.[155] The final rule adopts paragraph (b)(2)(i) with non-substantive changes (adding the word ''that'' and replacing the word ''such'' with ''the'').

The OCC sought comment in the proposal about whether the description in the proposed rule about how a custodian maintains control of a payment stablecoin or tokenized reserve assets is appropriately calibrated. Commenters generally supported the OCC's approach, noting the importance of a technology-neutral and functional definition of control, but requested that the OCC clarify that multi-signature, distributed key-control architectures, multiparty computation, and shareable private keys are permissible. Multi-signature approaches are consistent with the proposed regulatory text, which establishes that a custodian maintains control if ''it can reasonably demonstrate, consistent with the standard of care established by applicable law, that no other party, including the covered customer, can transfer the payment stablecoin or tokenized asset using a distributed ledger without the consent of the custodian or sub-custodian, as applicable.'' That is, it does not require that the custodian have the unilateral ability to transfer assets, but rather only that no other party can transfer assets without the custodian's consent, which would capture multi-party signatory systems. Therefore, changes to proposed § 15.21(b)(2)(ii) are unnecessary to clarify that multi-signature, distributed key-control architectures, multiparty computation, and shareable private keys are permissible. The OCC is, however, making three technical changes to proposed § 15.21(b)(2)(ii). First, the OCC has added ''private key used to issue a payment stablecoin'' as one of the types of crypto-assets to which the term ''control'' applies, consistent with the GENIUS Act's use of this term. Second, § 15.21(b)(2)(ii) includes a reference in the final rule to subpart C (whereas the proposal referred to § 15.21(b)(2)(i)). Finally, the final rule eliminates the phrase ''using a distributed ledger'' as surplusage.

Commenters also raised specific amendments or additions to the proposal's discussion of control and the use of sub-custodians. For example, one commenter recommended that the OCC clarify that for tokenized reserve assets, a covered custodian's demonstration of control should address both the on-chain custody of the token and the off-chain legal and operational arrangements ensuring the custodian can enforce the customer's rights against the underlying asset. Requiring that a covered custodian have control not only of the contractually agreed custodied asset, but also effectively of the underlying reference asset would be inconsistent with industry norms of custody and may serve to significantly impede the use of tokenized assets. As such, it is inappropriate to impose those requirements on covered custodians. The OCC notes, however, that for an asset to qualify as a reserve asset in tokenized form, a tokenized asset would need to confer rights identical to those that are conferred, or would be conferred, by a non-tokenized form of the asset under applicable law.

Other commenters recommended confirming in the final rule that cryptographic sub-ledgering (the mathematically verifiable tracking of beneficial ownership through on-chain proofs and real-time internal ledger reconciliation) inherently satisfies the adequate safeguards and internal controls standard for sub-custodian oversight under § 15.21(b). While cryptographic sub-ledgering may be an effective technological control, the OCC notes that the legal enforceability of a custodial relationship (*i.e.,* bailor-bailee vs. debtor-creditor) will depend on the facts and circumstances and that the adequacy of a covered custodian's safeguards and internal controls will ultimately depend upon the nature of its custodial business and its sub-custodial relationships. As such, it would be inappropriate to implement a safe harbor regarding cryptographic sub-ledgering.

Another commenter recommended that the OCC ensure that its principles-based framework includes clear expectations on due diligence, oversight, and contractual accountability for sub-custodian arrangements. Section 15.21 of the proposed rule provided sufficient protections regarding the use of sub-custodians, including the maintenance of ''adequate safeguards and internal controls reasonably designed to provide the covered custodian with oversight of such sub-custodian's compliance with the requirements of'' subpart C. The OCC also notes that covered custodians would typically consider sub-custodians as third-party relationships and manage the risks from a third-party risk perspective as well, consistent with the covered custodian's size, complexity,

[155] As noted in the proposal, this requirement is consistent with past OCC guidance on the control of crypto-assets for purposes of safekeeping. *See* OCC News Release 2025–68, ''Agencies Issue Joint Statement on Risk-Management Considerations For Crypto-Asset Safekeeping'' (July 14, 2025).

and risk profile and the nature of its sub-custodial relationships.

The OCC also sought comment on whether certain specific issues should be incorporated into the required principles-based standards governing a covered custodian's treatment of covered customers' covered assets. First, the agency sought comment on whether it should require that any custody agreement a covered custodian enters into with a permitted payment stablecoin issuer provide for prompt release of any custodied covered assets to the covered customer's control, including whether the OCC should require a covered custodian to release covered assets within a specific timeframe or to maintain custody agreements governing such release. Several commenters opposed a requirement that any custody agreement a covered custodian enters into with a payment stablecoin issuer provide for prompt release of custodied covered assets. The commenters stated that prompt release standards should be part of the service standards determined by the covered custodian and covered customer, and that custodians are constrained by the nature of the underlying reserve assets as well as by industry-standard deadlines for processing those assets.

In contrast, a few commenters recommended the OCC require that custody agreements provide for the prompt release of custodied assets, although one such commenter also recommended that the OCC should not specify a universal timeframe and should make clear that the adequacy of a custodian's timeframes will be evaluated in the context of its overall risk management framework. The OCC believes that a regulatory requirement concerning prompt release standards would impose additional burdens on covered custodians to set up processes and procedures that are typically already addressed in contracts, contract law, and industry norms of conduct. Moreover, a prescriptive requirement could limit the development of better practices in this area. Therefore, the OCC declines to include a prescriptive requirement on prompt release and retains the proposal's principles-based approach.

Second, the OCC sought comment on section 10(c)(3) of the GENIUS Act (12 U.S.C. 5909(c)(3)), which provides a priority regime regarding the claims of covered customers against a covered custodian regarding any payment stablecoins used as collateral that also allows covered customers to expressly waive this priority. The OCC did not propose any regulations governing the waiver provision as it believes the statute is clear. However, a few commenters recommended that the OCC provide clear guidance or requirements on the circumstances in which priority waivers are appropriate, including the standard of disclosure required before a waiver can be validly obtained. One commenter, by contrast, noted that the waiver right may at times be necessary to preserve certain collateral arrangements that can provide flexibility and benefits to covered customers and covered custodians. The OCC continues to believe that the statute is clear and that additional regulatory requirements would impose burdens and not provide meaningful benefits to either covered custodians or covered customers. Furthermore, if consistent with applicable law, the OCC would not expect that section 10(c)(3) of the GENIUS Act would prohibit covered custodians from including an express waiver as a standard term in their custody agreements.

Under proposed § 15.21(c), the OCC proposed codifying the exception in section 10(c) of the GENIUS Act (12 U.S.C. 5909(c)) to the customer property requirements described in section 10(b). This exception permits a covered custodian to withdraw and apply such share of the covered assets of a covered customer necessary to transfer, adjust, or settle a transaction or transfer assets applicable to that covered customer, including the payment of commissions, taxes, storage, and other charges lawfully accruing in connection with the provision of services to that covered customer by the covered custodian. The OCC proposed to specify that any such withdrawal must be consistent with any applicable law. For example, the OCC would expect any such withdrawal to be undertaken only in compliance with the terms of a covered customer's custody agreement and that any withdrawal of funds from an omnibus account would be properly recorded so as not to implicate the custodial assets of any other covered customer.

The OCC sought comment on whether, in connection with § 15.21(c), the OCC should require any more prescriptive requirements related to the protection of payment stablecoin holders, such as those designed to ensure that such withdrawals do not cause any reserve to fall below any minimum coverage of a payment stablecoin. A few commenters responded that the OCC should require covered custodians to maintain controls to ensure that fee withdrawals do not reduce reserve coverage below applicable requirements, including, for example, specified controls or mandated custody account agreement terms that address pre-arranged fee schedules, authorized withdrawal instructions, and hard-stop controls where the custodian has sufficient visibility into the full reserve pool. The OCC notes that such additional requirements would likely be impractical for many covered custodians or inconsistent with the norms of custodial practices, since the covered custodian may lack visibility into a payment stablecoin issuer's reserve assets or may only custody a portion of the reserve assets. Rather, the payment stablecoin issuer is the party better positioned to ensure that it maintains required reserve assets, and it may be reasonable to expect that such an issuer should understand any applicable fee schedules and other situations in which a covered custodian may permissibly withdraw covered assets under custody as part of its ongoing monitoring of its reserve assets. Notably, final § 15.11(d) will require a permitted payment stablecoin issuer to take certain steps with respect to custodians of reserve assets, including identifying itself as a permitted payment stablecoin issuer and engaging in due diligence to ensure that the custodian complies with applicable requirements of the GENIUS Act's implementing regulations. The OCC is adopting § 15.21(c) with non-substantive changes (replacing the word ''that'' with ''the'').

Proposed § 15.21(d) sought to clarify, consistent with section 10(c)(2)(D) of the GENIUS Act (12 U.S.C. 5909(c)(2)(D)), that an insured national bank or Federal savings association that provides custodial or safekeeping services for covered assets may hold covered assets that are in the form of cash on deposit, provided such treatment is consistent with Federal law. As noted above, several commenters observed that cash held in the form of a deposit liability is definitionally not a custodial asset and that such accounts cannot be held in a bankruptcy-remote manner because such accounts are fundamentally debtor-creditor relationships. As such, these commenters requested that such cash should be exempt from subpart C. However, the GENIUS Act refers specifically to ''cash'' as a potential covered asset. Generally, cash held in deposit accounts is not held in safekeeping as the property of the customer. Rather, the customer is a creditor of the bank unless the parties take steps to change the nature of the relationship.

One commenter also recommended that the OCC clarify in proposed § 15.21(d) that uninsured and insured Federal branches are permitted to hold ''covered assets'' that are in the form of

cash ''in the form of a deposit liability,'' to the same extent as insured national banks and Federal savings associations.[156] The commenter believed that Congressional intent, principles of national treatment and equality of competitive opportunity, and public policy all support the broader reading that includes uninsured branches. Section 10(c)(2)(A) of the Act (12 U.S.C. 5909(c)(2)(A)) in part provides that certain cash held as a deposit liability at a depository institution shall not be subject to any requirement that custodied assets be segregated from the property of the applicable depository institution. However, section 10(c)(2)(D) of the Act (12 U.S.C. 5909(c)(2)(D)) states that insured depository institutions ''shall be permitted to hold payment stablecoin reserves in the form of cash on deposit provided such treatment is consistent with Federal law.'' Both sections 10(c)(2)(A) and (D) of the GENIUS Act refer to ''payment stablecoin reserves.'' Since funds held as deposits at an uninsured depository institution would not qualify as a permissible reserve asset under section 4(a)(1)(A)(ii) of the Act (12 U.S.C. 5903(a)(1)(A)(ii)), an uninsured branch could not hold payment stablecoin reserves in the form of cash on deposit since such assets would not qualify as reserve assets.[157] However, an uninsured Federal branch covered custodian may nonetheless hold other covered assets that are not payment stablecoin reserves in the form of cash on deposit. As such, the OCC has finalized § 15.21(d) so that it refers to covered custodians generally and is not limited solely to insured depository institutions.

6. Use of Omnibus Accounts (§ 15.22)

Proposed § 15.22 covered the use of omnibus accounts by covered custodians. Proposed § 15.22(a) addressed the segregation of covered assets, stating that, ''[a] covered custodian must segregate all covered assets of covered customers from, and not commingle them with, the assets of the covered custodian, except as permitted under § 15.21(d).'' Proposed § 15.22(b) stated that ''[a] covered custodian may, for convenience, commingle the covered assets of multiple covered customers, in one or more omnibus accounts,'' provided the custodian has taken steps pursuant to § 15.21(b) to maintain safe and sound practices and the use of omnibus accounts is consistent with applicable law. The OCC sought comment on whether the OCC should instead implement a more detailed regulatory framework regarding a covered custodian's use of omnibus accounts.

Commenters generally supported the OCC's proposal in § 15.22(b) to permit covered custodians to utilize omnibus accounts for covered assets consistent with the principles-based approach that the OCC proposed in § 15.21. Several commenters, however, recommended that the OCC adopt more detailed expectations for omnibus account structures due to their potential to obscure entitlements and increase operational and legal risk or clarify that omnibus accounts should not refer to accounts held by a custodian on its own books.[158] The OCC believes that the principles-based approach taken in subpart C should already largely address these operational and legal risks without imposing undue burdens. As noted above, sound custodial practices would entail that a covered custodian may not rely solely on a distributed ledger and must reconcile distributed ledger data, as applicable, with its internal records. Consistent with this practice, the OCC expects a covered custodian to maintain off-chain documentation and recordkeeping to the extent that it commingles the covered assets of multiple covered customers in an omnibus account to ensure that it is able to reconcile all omnibus accounts with individual customer custodial accounts—that is, that it has ''separately accounted for'' the covered assets of each covered customer.[159]

One commenter recommended that the OCC explicitly recognize that cryptographically segregated omnibus accounts satisfy the segregation and separate accounting requirements of § 15.22. The commenter recommended explicitly allowing sub-ledgering within the same general omnibus wallet, meaning that the custodian would maintain multiple customers' assets at the same virtual address but maintain real-time internal records continuously reconciled against the blockchain showing exactly which customer owns which assets. As noted above, while cryptographic sub-ledgering may be an effective technological control, the OCC notes that the legal enforceability of a custodial relationship will depend on the facts and circumstances and that the adequacy of a covered custodian's safeguards and internal controls will ultimately depend upon the nature of its custodial business and its sub-custodial relationships. As such, the OCC believes it would be inappropriate to include a safe harbor in § 15.22 regarding the use of cryptographic sub-ledgering alone, and the agency reiterates that a covered custodian must also maintain appropriate off-chain recordkeeping.

Commenters also provided input on specific issues related to the use of omnibus accounts. First, the OCC asked whether a covered custodian may, for convenience, commingle in a single omnibus account both covered assets and other custodial assets that are not covered assets and asked whether the OCC should consider prescribing additional requirements in such situations. Several commenters supported confirming that covered custodians may hold covered assets and non-covered digital assets within the same omnibus wallet structures, provided that the custodian maintains recordkeeping sufficient to identify, at any time, which assets within the omnibus account constitute covered assets and which customers are covered customers. One such commenter recommended that the OCC should make clear that such arrangements are appropriate only where traceability, accountability, and error-resolution processes are demonstrably robust. Another commenter stated that commingling covered and non-covered assets could raise complexity and would require enhanced safeguards. The OCC agrees that commingling in a single omnibus account both covered assets and other assets that are not covered assets may be permissible, provided the custodian maintains sufficient recordkeeping to identify, at any time, which assets within the omnibus account constitute covered assets and which customers are covered customers. However, to the extent any covered assets are reserve assets, a permitted payment stablecoin issuer may not custody such assets in omnibus accounts since a permitted payment stablecoin issuer is separately required to segregate and not commingle such reserve assets with other assets owned

[156] The OCC notes that a Federal branch is scoped into the definition of covered custodian. Thus, for purposes of this question, the only relevant distinction is whether the Federal branch is insured or not.

[157] A permitted payment stablecoin issuer is likely better situated than a custodian to ensure that its cash reserve assets are held at insured depository institutions. As such, it is the obligation of the issuer to ensure its compliance with section 4(a)(1)(A)(ii) of the GENIUS Act and § 15.11(b) of this final rule. *See* § 15.11(d).

[158] One commenter stated that allowing covered assets to be held in omnibus accounts would be inconsistent with appropriate custody practices. The GENIUS Act however is clear that covered assets, including the reserves of multiple permitted payment stablecoin issuers, ''may, for convenience, be commingled and deposited in an omnibus account holding the [covered assets] and other property of more than 1 permitted payment stablecoin issuer or customer[.]'' 12 U.S.C. 5909(c)(2)(A).

[159] 12 U.S.C. 5909(c)(1).

or held by the issuer (*see* final § 15.11(a)(1)(ii)). Additionally, while the OCC does not believe that the imposition of prescriptive technical requirements would provide meaningful additional customer benefits as measured against the costs, operational complexities, and potential for regulatory staleness, the agency believes that it is prudent that the final rule requires that the terms of any omnibus account are fully disclosed to customers, including whether covered assets and non-covered assets may be commingled.

Second, commenters recommended that the OCC distinguish between internal omnibus accounts at a covered custodian and external omnibus accounts maintained by the custodian at sub-custodians (*e.g.,* global custodians) or directly or indirectly at a market utility (collectively, ''downstream custodians'').[160] These commenters stated that the OCC should confirm that the final regulation does not disturb established external omnibus accounts at downstream custodians, which may commingle in a single account the assets of many customers, including the covered custodian's proprietary assets and its covered customers' covered asset custody accounts. These downstream custodians may have limited or no insight into, or direct commercial relationship with, the covered custodian. Preventing commingling of assets at this level may be impractical and does not serve the purpose of the GENIUS Act in protecting covered customers from becoming general unsecured creditors of a covered custodian. The final rule does not override standard commercial practices when it comes to global custodians and market utilities. However, should a downstream custodian commingle its own assets in an omnibus account with the covered assets of a covered custodian, the customer protection purpose of section 10 of the GENIUS Act is nonetheless implicated. As such, the OCC is finalizing § 15.22 by adding a clarification that a covered custodian may custody its own assets and the covered assets of a covered customer at a sub-custodian where the sub-custodian may, for convenience, commingle such assets in one or more omnibus accounts of the sub-custodian; provided that the covered custodian maintains adequate safeguards and internal controls reasonably designed to ensure that the sub-custodian segregates all covered assets of the covered custodian's covered customers from, and does not commingle such covered assets with, the assets of the sub-custodian.

Third, one commenter recommended that the OCC consider how gas fees would be treated in custodial contexts.[161] The commenter stated that a covered custodian may agree as a convenience to its customer to pay gas fees using the covered custodian's own relevant crypto-assets and that it may be operationally convenient to commingle such crypto-assets in a sub-ledger of the customer account such that the gas fees are paid from the same wallet as the customer's transaction. The commenter recommended that the final rule confirm that this limited operational commingling undertaken solely to pay gas fees is permissible. While the OCC acknowledges that limited commingling may provide certain operational efficiencies, the GENIUS Act does not provide such an operational exception. Rather, the statute clearly states that a covered customer's covered assets ''shall be segregated from and not be commingled with the assets of'' the covered custodian as required by section 10(c)(1) of the GENIUS Act (12 U.S.C. 5909(c)(1)). Additionally, the OCC understands that many distributed ledger technologies allow gas fees to be paid from separate wallets and thus that a covered custodian could still use any permissible proprietary holdings of crypto-assets to pay a covered customer's gas fees without commingling. As such, the OCC has not included an exception to the segregation requirement related to gas fees.

7. Self-Custody Hardware and Software Exclusion (§ 15.23)

Proposed § 15.23 implemented section 10(e) of the GENIUS Act (12 U.S.C. 5909(e)), which provides that the requirements of section 10 of the Act do not apply to any person solely on the basis that such person engages in the business of providing hardware or software to facilitate a customer's own custody or safekeeping of the customer's payment stablecoins or private keys. In proposed § 15.23, the OCC sought to clarify that the requirements of this proposed subpart C do not apply to any national bank, Federal savings association, Federal branch, or permitted payment stablecoin issuer solely on the basis that such entity engages in the business of providing hardware or software to facilitate a person's or entity's self-custody of their payment stablecoins or private keys. The OCC sought comment on whether the OCC should consider implementing any other language to prevent the exception from being used to evade the custodial requirements of the Act, including, for example, whether the requirements of subpart C could nonetheless apply if, for example, an entity controls or holds itself out as controlling such payment stablecoins or private keys, or provides, or holds itself out as providing safekeeping or custodial services, including services that are ancillary or incidental to its custodial powers, for such payment stablecoins or private keys. In the alternative, the OCC sought comment on whether an OCC-supervised institution could provide ancillary custodial services to a user of such hardware or software while avoiding the minimum, principles-based requirements of the proposal.

Several commenters recommended that the OCC clarify that the exclusion be applied on the basis of various factors that in essence mirror the control standard proposed in § 15.21(b)(2). The OCC agrees and is clarifying § 15.23 in accordance with these comments to prevent the section from being used to evade the custodial requirements of subpart C. Third-party services may in practice resemble the types of custody arrangements that the Act intended to be performed only by covered custodians. A simple non-control requirement and a requirement that the third party not hold itself out as a custodian is a low-burden means of preventing regulatory avoidance through this provision. Therefore, the OCC is adding a requirement to the final rule that the third party also not exercise or hold itself out as exercising control over the private keys associated with covered assets or provide or hold itself out as providing custody services for covered assets. In addition, the OCC is making non-substantive changes to the language of § 15.23.

Several commenters recommended that the final rule affirm that OCC-supervised institutions may provide ancillary services to persons self-custodying covered assets without triggering the requirements of subpart C. Examples of ancillary services cited by one commenter include permitted payment stablecoin issuers providing services such as trade execution, settlement routing, recordkeeping,

[160] One commenter requested that the OCC clarify that omnibus accounts should be limited to those accounts at downstream custodians and not to accounts maintained by the custodian on its own books for its customers. While some covered assets may likely be held at downstream custodians, the OCC neither believes that the GENIUS Act compels such a reading nor that all covered assets, which are not limited to securities, necessarily lend themselves to such arrangements.

[161] For a description of gas fees and the permissibility of national banks to hold them as principal, see *OCC Interpretive Letter* 1186.

valuation, or tax reporting to users of self-custody tools. The commenter recommended that a permitted payment stablecoin issuer be permitted to offer such services without triggering full custody rules so long as the institution never takes possession or discretionary control of the user's payment stablecoins or keys. Another commenter similarly recommended extending the safe harbor for self-custodial wallets to all self-custodial interfaces, particularly to the engagement of distributed ledger protocol developers.

The OCC believes that the ''control'' standard added to final § 15.23 satisfies these concerns and declines to further amend the regulation. However, if the permissibility of a national bank, Federal savings association, Federal branch, or permitted payment stablecoin issuer providing such ancillary services is premised upon such an entity's custody powers, then such an entity could only provide those services in its capacity as a custodian. In such cases, the national bank, Federal savings association, Federal branch, or permitted payment stablecoin issuer would not be covered by the self-custody hardware or software exception and would be subject to compliance with subpart C.[162]

8. Reporting

The OCC sought comment on the extent to which Schedule RC–T of the Call Report, in the case of national banks, Federal savings associations, or Federal branches, and the portions of the reports required under proposed § 15.14 relevant to custodial activities, in the case of nonbank Federal qualified payment stablecoin issuers and applicable State qualified payment stablecoin issuers, are appropriate to ensure that the OCC possesses the information necessary to supervise covered custodians. Several commenters responded that the OCC should not impose additional, distinct reporting obligations on custodians and should instead leverage existing custody reporting mechanisms. Some commenters recommended that the OCC clarify that reporting reserve compositions by permitted-investment category is strictly an issuer obligation, noting that requiring custodians to independently verify and classify covered assets exposes them to undue liability and costs. Other commenters acknowledged that existing Call Reports and Schedule RC–T may not be sufficient on their own for GENIUS Act assessment purposes, and recommended the OCC add a stablecoin-specific supplemental reporting requirement or alter Schedule RC–T of the Call Report. The OCC currently believes that existing reporting provides sufficient insight necessary for OCC supervision and assessment calculations, but will continue to monitor whether additional reporting, including amendments to Schedule RC–T, may be necessary.

9. Miscellaneous

Bridging Arrangements

The OCC sought comment on whether there are particular circumstances for which the OCC should provide additional clarification as to the application of subpart C or the applicability of any exception. Several commenters recommended additional clarification on ''bridging'' or ''wrapping'' arrangements, which facilitate use of crypto-assets between distributed ledgers that are not interoperable. One commenter described bridging as a practical necessity for multi-chain stablecoin operations and recommended that the final rule make clear that payment stablecoins locked in a smart contract for bridging to an unsupported blockchain are not, by reason of that locking alone, subject to the custodial requirements of subpart C. Another commenter recommended the OCC clarify that a covered custodian that initiates a bridging transaction for a covered customer can still operate in compliance with subpart C, provided it maintains the ability to receive and custody the underlying asset upon unwrapping. That commenter further recommended that the OCC clarify that the covered custodian's obligations under subpart C continue with respect to the locked position, including the obligation to maintain accurate records of the customer's entitlement to the underlying asset. Other commenters stated that further clarification was unnecessary because of the exception for entities that solely provide hardware or software to facilitate a customer's own custody of payment stablecoins or private keys in section 10(e) of the GENIUS Act (12 U.S.C. 5909(e)). One commenter stated that the OCC should simply confirm that issuer obligations under subpart C do not extend to activities conducted outside the issuer's control, including third-party wrapping arrangements on unsupported blockchains.

There are a number of unsettled legal questions surrounding the treatment of crypto-asset bridges. Furthermore, the mechanics of bridges can differ in important ways, and the bridge's technical design, the relevant legal contractual terms (or lack thereof), and the presence of parties exercising control over any locked assets, among other factors, may affect the analysis.[163] Additionally, there are likely to be continued technical developments in this area, which may impact that analysis in the future. Therefore, the OCC is not able to provide definitive responses to the commenters' requests at this time.

The OCC expects covered custodians to understand the mechanics, legal roles, code, contract terms, redemption rights, and other relevant features of a bridge in which covered customers' covered assets are locked in order to understand the covered custodian's legal obligations.[164] As case law and technology develop, or in response to requests involving particular bridging arrangements, the OCC may provide interpretations on the applicability of section 10 of the GENIUS Act to bridging arrangements. In the absence of definitive guidance from the OCC or clarity in relevant case law, covered custodians may rely on a well-founded legal analysis of compliance with section 10 with respect to bridging arrangements.

Valuation of Private Keys Used To Issue Payment Stablecoins

One commenter responded to the OCC's proposed approach to assign a nominal $1.00 value to private keys used to issue payment stablecoins, describing that approach as reasonable. However, that commenter noted that a nominal valuation may not fully capture the operational and control significance of private key custody, particularly where custody of the issuance keys and custody of reserve assets are held by different entities. The commenter recommended that the OCC address this potential gap without adding duplicative reporting by retaining the

[162] *See, e.g., OCC Interpretive Letter 1170,* 8, n. 39.

[163] The OCC notes that, in the case of a bridge for which the input is a payment stablecoin, the minted wrapped asset generally would not itself be a payment stablecoin as defined in the GENIUS Act. *See* GENIUS Act § 2(22)(A)(ii)(I) (12 U.S.C. 5901(22)(A)(ii)(I)) (providing that a payment stablecoin means a digital asset in which the issuer is obligated to convert, redeem, or repurchase a payment stablecoin ''for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value.'').

[164] The applicability of the exclusion from subpart C for covered custodians that provide hardware or software to facilitate a customer's self-custody of bridged assets, where the bridge provides for self-custody, will also depend on the facts and circumstances, including, as discussed above, whether the covered custodian controls or holds itself out as controlling any bridged-covered assets. Any analysis would also take into account the presence and features of any administrative key associated with the bridge.

nominal valuation framework and considering requiring limited, high-level qualitative disclosures regarding private key custody arrangements. The commenter noted that such disclosures could include whether custody of the private keys is internal or third-party, whether it is segregated from reserve asset custody, and whether appropriate internal controls, access limitations, and incident response processes are in place. The OCC does not believe that any additional reporting requirements relating to the private keys used to issue payment stablecoins are necessary to implement through part 15, but it will consider whether any applicable reporting forms should be updated.

D. Subpart D—Applications and Registrations

Section 5 of the GENIUS Act (12 U.S.C. 5904) establishes a licensing regime for insured depository institutions that seek to issue payment stablecoins through a subsidiary and for nonbank entities, uninsured national banks, and uninsured Federal branches that seek to issue payment stablecoins as Federal qualified payment stablecoin issuers. Section 18(a) of the GENIUS Act (12 U.S.C. 5916(a)) provides an exception from the prohibitions in section 3 of the GENIUS Act (12 U.S.C. 5902) for foreign payment stablecoin issuers registered with the OCC and sets forth the registration regime and other requirements for foreign payment stablecoin issuers. The OCC proposed subpart D of part 15 to implement these provisions of the GENIUS Act.

1. Overview of Changes From Proposed Rule to Final Rule for Subpart D

After carefully reviewing comments, the OCC is largely adopting subpart D as proposed. The OCC is reordering and renumbering several provisions of subpart D. The OCC is making certain targeted changes to subpart D, including adding clarifying language with respect to subsidiaries of insured depository institutions in § 15.30(a), adding the word ''insured'' before ''Federal branch'' and a reference to the Corporate Background and Financial Report in § 15.30(b)(1)(ii), moving language from § 15.30(b)(1)(iii) to § 15.30(b)(4)(i), adding new § 15.30(b)(1)(iv) providing that an applicant must certify whether section 4(a)(12) of the GENIUS Act (12 U.S.C. 5903(a)(12)) applies to the applicant, adding new § 15.30(b)(3)(vi) concerning abandoned applications, making technical changes to § 15.30(b)(3)(ii), (iii), and (iv), making technical changes to § 15.30(b)(4) to split it into § 15.30(b)(4)(i), (ii), and (iii), and adding clarifying language to § 15.30(b)(5).

The OCC is adding a new § 15.30(c), which provides that the OCC may approve, conditionally approve, or deny a substantially complete application based on the factors specified under paragraph (d). The OCC is renumbering § 15.30 in light of this new paragraph.

The OCC is also adding new § 15.30(d)(5), which provides that the OCC will consider the ability of the applicant (or in the case of an applicant that is an insured national bank, Federal savings association, or insured Federal branch, of the subsidiary of the applicant) to conduct its proposed activities in a safe and sound manner, including whether the applicant's proposed structure adequately addresses run risks and adequately ensures the ability to redeem payment stablecoins.

The OCC is changing a reference to a disapproval of an application in § 15.30(e)(1) to a reference to denial. The OCC is breaking up paragraph (e)(1) into paragraph (e)(1) and (e)(2). The OCC is also moving to § 15.30(e)(3) language providing that the denial of a substantially complete application under § 15.30 does not prohibit the applicant from filing a subsequent application.

The OCC is modifying § 15.30(f)(1) to clarify that an applicant may request that a hearing be on the written record, oral testimony and oral argument, or both. The OCC is modifying § 15.30(f)(2) to clarify when the OCC will communicate the denial of a substantially complete application. The OCC is modifying § 15.30(f)(3) to clarify what an applicant must submit to be considered in an appeal. The OCC is replacing the words ''de novo'' with ''anew'' in § 15.30(f)(4). The OCC is breaking up paragraphs (f)(4) and (f)(5) into subparagraphs. The OCC is adding language in new paragraph (f)(6) concerning the procedures for appeals. The OCC is making minor technical changes to § 15.30(g) and clarifying that the OCC may waive application of the GENIUS Act or part 15 pursuant to section 5(f) of the Act (12 U.S.C. 5904(f)), rather than only waiving application of section 4 of the GENIUS Act (12 U.S.C. 5903). The OCC is deleting the word ''thereunder'' from § 15.30(h).

The OCC is making non-substantive changes to § 15.31(a)(1) and modifying proposed § 15.31(a)(3) to provide various options for when a foreign payment stablecoin issuer's reserves will be deemed sufficient to meet the liquidity demands of United States customers. Specifically, the OCC is adding new § 15.31(a)(3)(i) to clarify that a foreign payment stablecoin issuer must hold reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State that are sufficient to meet the liquidity demands of United States customers, unless otherwise permitted under a reciprocal arrangement created and implemented by the Secretary of the Treasury under section 18(d) of the GENIUS Act (12 U.S.C. 5916(d)). The OCC is also adding § 15.31(a)(3)(ii) to set forth the relevant options for compliance and describe when reserves of foreign payment stablecoin issuers will be deemed sufficient to meet the liquidity demands of United States customers. New § 15.31(a)(3)(iii) provides that a foreign payment stablecoin issuer may withdraw only reserves in excess of the required amount after due diligence confirms the remaining reserves still meet the required minimum at the time of withdrawal.

The OCC is making a technical change to § 15.31(b)(1) to clarify that foreign issuers are subject to reporting, supervision, and examination requirements as determined by the OCC.

The OCC is revising § 15.31(c) to mirror the prohibition on interest or yield that applies to permitted payment stablecoin issuers under § 15.10(c)(4).

The OCC is making a technical revision to § 15.32(b)(1)(ii) to add ''a'' before ''regulatory and supervisory regime.'' The OCC is also adding a reference to compliance with part 15 in § 15.32(b)(1)(iii) and moving language from proposed § 15.32(b)(1)(v) to § 15.32(b)(3) (which is now broken into two subparagraphs).

The OCC is adding new § 15.32(b)(1)(vi) to require foreign payment stablecoin issuers to certify whether section 4(a)(12) of the GENIUS Act (12 U.S.C. 5903(a)(12)) applies to the applicant. This addition mirrors requirements applicable to permitted payment stablecoin issuer applicants under § 15.30.

The OCC is also adding new § 15.32(c) to provide that the OCC may approve, conditionally approve, or reject an application based on review of the factors listed in renumbered paragraph (d) of this section of the final rule. The OCC is renumbering § 15.32 in light of this new paragraph in the final rule.

The OCC is adding new § 15.32(d)(6) to clarify that the OCC may assess whether an applicant can operate safely and soundly, including managing run risk and adequately ensuring its ability to redeem payment stablecoins. This addition mirrors the new safety and soundness factor for permitted payment stablecoin issuers under § 15.30.

The OCC is making a technical correction in final § 15.32(e)(1) (''issuers'' becoming ''issuer''). The OCC is simplifying § 15.32(e)(3) in light of other changes in the rule and adding clarifying language to § 15.32(e)(3)(iv). The OCC is breaking apart and renumbering the paragraphs in § 15.32(f).

The OCC is also modifying § 15.32(g) (renumbered from proposed § 15.32(f)) to clarify that a foreign payment stablecoin issuer may request that the hearing be on the written record, oral testimony and oral argument, or both. The OCC is also adding language to § 15.32(g) clarifying the materials that, if an applicant is filing a written appeal, the applicant must submit in writing all documents and arguments that the applicant wishes to be considered. In addition, the OCC is clarifying the timeframe in which an applicant may appeal a rejection. The final rule also replaces the word ''denial'' with ''rejection'' in § 15.32(g) to more closely match the language of section 18(c) of the Act (12 U.S.C. 5916(c)). The final rule also breaks apart and renumbers several of the paragraphs from § 15.32(f) in final § 15.32(g). The final rule adds a discussion of procedures to § 15.32(g).

The OCC is changing a reference to rescission in § 15.33(a)(3) to revocation and making a technical correction in § 15.33(b)(2)(iii)(A), (B), and (C) (correcting ''rescission''). In addition, the OCC is replacing a reference to the ''OCC's rules of practice and procedures'' with ''the OCC's rules of practice and procedure'' in § 15.33(a)(2)(ii) and § 15.33(b)(2)(ii).

The OCC is also updating certain footnotes and internal cross-references.

2. General Applications Framework

Several commenters either made general comments or requested that the OCC make certain revisions to the general proposed application framework. A few commenters suggested the final rule provide confirmation that applicants for a national trust bank charter that plan to custody stablecoin reserves for an affiliated issuer are required, as a condition of charter approval, to provide custody services to unaffiliated clients. This comment concerns the chartering of a national bank, rather than the licensing of a permitted payment stablecoin issuer, and is thus outside the scope of this rulemaking. One commenter recommended creating a public registry of authorized issuers so that downstream participants would know whether they are interacting with a legitimate issuer. The commenter suggested this registry be designed in a manner that incorporates fields for standardized data (*e.g.,* entity's legal name, charter or license identifier, specific product and jurisdictional scope of authorization, and any specific conditions or limitations on the issuer's authorization), and includes near-real-time refresh of authorization status, a machine-readable interface so that downstream participants could consume registry data programmatically, and interoperability with State-level regulators to provide a comprehensive source of authorized issuers and prevent market fragmentation. The commenter suggested that reliance on the registry should act as a safe harbor for downstream participants. The statute does not mandate the creation of a registry like the one described by the commenter. The OCC does intend to publish the determination for when an applicant is licensed as a permitted payment stablecoin issuer but is not including additional regulation text concerning the publication of a registry. In addition, the OCC, consistent with its approach to all matters, plans to operate transparently with regard to its application and registration decisions, including complying with its reporting obligations pursuant to section 15 of the GENIUS Act (12 U.S.C. 5914).

Several commenters requested that the final rule expressly provide for a prefiling consultation or application checklist to promote certainty around the information an applicant should include in an application. One commenter suggested the OCC map the checklist to the statutory factors for completeness, while another commenter recommended against including a prescriptive checklist of safety and soundness criteria in the final rule. Two commenters recommended that the OCC publish an application guide, analogous to those available for organizers of de novo institutions, explaining how the OCC will assess the statutory and regulatory review factors under proposed § 15.30(c). One of the commenters also suggested that the guidance commit the OCC to transparently engaging with applicants on any filing concerns before deciding whether to approve or deny an application. The GENIUS Act does not require the OCC to offer a prefiling meeting or publish an application checklist. The OCC historically has not published checklists for applications, but it does provide significant guidance about the filing process in the *Comptroller's Licensing Manual.* The OCC anticipates issuing similar guidance with respect to filings for OCC-supervised permitted payment stablecoin issuers. Accordingly, the final rule does not require a prefiling meeting or incorporate an application checklist. Nevertheless, applicants may request a prefiling meeting with OCC staff. The OCC plans to update the *Comptroller's Licensing Manual* in the near future to incorporate its chartering policy and procedural requirements for applicants seeking to become permitted payment stablecoin issuers. Applicants are encouraged to review these materials and any related publications prior to requesting a prefiling meeting. Further, pursuant to section 5(d)(1)(B)(ii) of the GENIUS Act (12 U.S.C. 5904(d)(1)(B)(ii)), which requires a primary Federal payment stablecoin regulator to notify an applicant whether its application is considered substantially complete not later than 30 days after receipt, as incorporated under § 15.30(b)(3)(ii), the OCC will notify the applicant, within 30 days of receipt of the application, of the information required in order for the application to be considered substantially complete. The OCC believes this notification along with updates to the *Comptroller's Licensing Manual* will provide sufficient transparency regarding any filing concerns.

Two commenters suggested that the OCC provide guidance confirming that registration as a money services business (MSB) with FinCEN would not disqualify a nonbank entity from making a filing under § 15.30 and that such registration would be treated as affirmative evidence of BSA/AML compliance. The GENIUS Act provides that permitted payment stablecoin issuers shall be treated as financial institutions for purposes of the Bank Secrecy Act. MSBs, like other nonbank entities seeking OCC approval to become Federal qualified payment stablecoin issuers, must make a filing with the OCC and comply with applicable laws and regulations including those relating to BSA/AML compliance. Registration as an MSB alone does not provide conclusive evidence of compliance.

Commenters sought clarification on when the OCC will begin accepting applications pursuant to § 15.30. As discussed in more detail below, proposed paragraph (f)(3) provided that the OCC may grant a waiver of the Act's requirements for up to 12 months beginning on the effective date of the GENIUS Act if it finds the waiver to be in the public interest or extraordinary circumstances justify the waiver. Accepting applications before the effective date of the Act and final rule is appropriate in light of section 5(f) of

the Act (12 U.S.C. 5904(f)) which allows the primary Federal payment stablecoin regulators to waive the requirements of the Act for up to 12 months with respect to a person that has an application to become a permitted payment stablecoin issuer as of the effective date of the Act. The OCC therefore intends to accept applications and associated requests for waiver beginning as soon as reasonably possible following approval from the Office of Information and Regulatory Affairs (OIRA) under the Office of Management and Budget (OMB) information collection related to the application forms.[165] The OCC will notify the public through an OCC bulletin once the OCC has received approval and is accepting applications. Accepting applications prior to the effective date will facilitate the OCC's ability to provide feedback in advance of the effective date of the Act, to the extent feasible and appropriate.

3. Approval of Permitted Payment Stablecoin Issuers (§ 15.30)

a. Description of the Proposed Rule

The OCC proposed § 15.30 to provide for the licensing of insured national banks, Federal savings associations,[166] and insured Federal branches that seek to establish subsidiaries to issue payment stablecoins and for nonbank entities, uninsured national banks, and uninsured Federal branches that seek to issue payment stablecoins as Federal qualified payment stablecoin issuers. In accordance with section 5 of the GENIUS Act (12 U.S.C. 5904), proposed paragraph (a) would have required insured national banks, Federal savings associations, and insured Federal branches, as well as nonbank entities, uninsured Federal branches, and uninsured national banks to file an application and obtain prior approval from the OCC before issuing payment stablecoins under the GENIUS Act. Under proposed paragraph (a)(1), any insured national bank, Federal savings association, or insured Federal branch that seeks to issue payment stablecoins through a subsidiary would have been required to file an application under § 15.30 and receive prior approval from the OCC before issuing payment stablecoins.[167] Under proposed paragraph (a)(2), any nonbank entity, uninsured national bank, or uninsured Federal branch that seeks to issue payment stablecoins as a Federal qualified payment stablecoin issuer would have been required to file an application and receive prior approval from the OCC before issuing payment stablecoins.

Proposed paragraph (b) set forth the application process. Proposed paragraph (b)(1)(i) would have required that the applicant submit all the information required by the form for an application under this section that would be available at *www.occ.gov.* Under proposed paragraph (b)(1)(ii), each director, executive officer, and principal shareholder of the applicant (or in the case of an applicant that is an insured national bank, Federal savings association, or Federal branch, of the subsidiary of the applicant) would have been required to submit the information prescribed in the Interagency Biographical and Financial Report.[168] Proposed paragraph (b)(1)(iii) would have required that the applicant certify that any filing or supporting material submitted to the OCC contains no material misrepresentations or omissions. Proposed paragraph (b)(2) would have directed that an application be submitted to the appropriate OCC licensing office, unless the OCC advised a filer otherwise. The certification and location of filing provisions were substantially the same as those in the OCC's general application filing provisions in 12 CFR 5.4.

Proposed paragraph (b)(3) included provisions regarding substantially complete applications and the review thereof. Section 5(d)(1)(B)(i) of the GENIUS Act (12 U.S.C. 5904(d)(1)(B)(i)) would have defined a substantially complete application as one that contains sufficient information for the primary Federal payment stablecoin regulator to render a decision based on the factors in section 5(c) of the GENIUS Act (12 U.S.C. 5904(c)). Proposed § 15.30(b)(3)(i) restated this requirement, referencing the factors in proposed paragraph (c) of § 15.30. Section 5(d)(1)(B)(ii) of the GENIUS Act (12 U.S.C. 5904(d)(1)(B)(ii)) requires that the primary Federal payment stablecoin regulator notify the applicant as to whether the application is considered substantially complete. If the application is not substantially complete, the primary Federal payment stablecoin regulator must inform the applicant of the information needed for the application to be considered substantially complete. Proposed § 15.30(b)(3)(ii) set forth these requirements and would have provided that the OCC would notify applicants not later than 30 days after receipt of an application whether the application is substantially complete. If the application was not substantially complete, the OCC would be required to notify the applicant of the information required in order for the application to be substantially complete. Proposed paragraph (b)(3)(iii) stated that the OCC would notify applicants whether the application is substantially complete not later than 30 days after receipt of the additional information provided under proposed paragraph (b)(3)(ii). Proposed paragraph (b)(3)(iv) stated that an application would be considered substantially complete as of the date the OCC receives the information required for the application to be substantially complete. The 120-day requirement for the primary Federal payment stablecoin regulator to render a decision, as required by section 5(d)(1)(A) of the GENIUS Act (12 U.S.C. 5904(d)(1)(A)), is measured from the date on which the application becomes substantially complete.[169]

Section 5(d)(1)(B)(iii) of the GENIUS Act (12 U.S.C. 5904(d)(1)(B)(iii)) states that a substantially complete application remains so unless there is a material change in circumstances that requires the primary Federal payment stablecoin regulator to treat the application as a new application. Proposed § 15.30(b)(3)(v) would have implemented this provision by stating that if the OCC determines that an application is substantially complete, the application remains substantially complete unless there is a material change in circumstances that requires the OCC to treat the application as a

[165] *Agency Information Collection Activities: Proposed Information Collection; Comment Request; Applications for Licensing or Registration To Issue Payment Stablecoins Under the GENIUS Act,* 91 FR 47032 (July 27, 2026). Because the Act is not yet effective, the 120-day timeline contemplated under section 5(d) of the Act (12 U.S.C. 5904(d)) will not begin until the later of (1) the effective date of the Act or (2) the date at which the application is substantially complete. Entities that seek a waiver pursuant to section 5(f) should submit an application prior to the effective date of the Act. Other entities may submit applications following the effective date of the Act.

[166] Unlike national banks and Federal branches, all Federal savings associations are required to be insured by the FDIC. *See* 12 U.S.C. 1813(b)(2) and 1462(2)–(3).

[167] Consistent with the definition of permitted payment stablecoin issuer in section 2(23) of the GENIUS Act (12 U.S.C. 5901(23)), the OCC would not approve an insured national bank or a Federal savings association to issue a payment stablecoin directly (as opposed to through a subsidiary).

[168] Proposed § 15.2 would have defined principal shareholder to mean ''a person who directly or indirectly or acting in concert with one or more persons, or together with members of their immediate family, will own, control, or hold 10 percent or more of the voting stock of the permitted payment stablecoin issuer or applicant.'' Thus, persons that are principal shareholders as a result of indirect control would have been required to submit the information in the Interagency Biographical and Financial Report.

[169] The 120-day time period ends 120 days after receipt of a substantially complete application. *See* 12 U.S.C. 5904(d)(1)(A). The 120 days does not include the day of receipt.

new application. Consistent with the OCC's general licensing regulations in 12 CFR 5.7, proposed § 15.30(b)(4) provided that the OCC may examine or investigate and evaluate facts relating to an application under this section to the extent necessary to reach an informed decision. Proposed paragraph (b)(4) stated that the OCC may collect fingerprints of the individuals listed in proposed paragraph (b)(1)(ii) for submission to the Federal Bureau of Investigation for a national criminal history background check.

Section 5(d)(3) of the GENIUS Act (12 U.S.C. 5904(d)(3)) provides that an application is deemed approved if the primary Federal payment stablecoin regulator fails to render a decision within 120 days of receipt of a substantially complete application. Proposed § 15.30(b)(5) provided that a substantially complete application under that section would be deemed approved as of the 120th day of receipt by the OCC of the substantially complete application, unless the OCC denies the application under proposed paragraph (d) of that section.

Section 5(c) of the GENIUS Act (12 U.S.C. 5904(c)) prescribes factors for evaluating a substantially complete application: the ability of the applicant (or subsidiary in the case of an insured depository institution), based on financial condition and resources, to meet the requirements of section 4 of the GENIUS Act (12 U.S.C. 5903); whether any of the applicant's officers or directors have been convicted of a felony offense involving insider trading, embezzlement, cybercrime, money laundering, financing of terrorism, or financial fraud; the competence, experience, and integrity of the officers, directors, and principal shareholders of the applicant, its subsidiaries, and parent company, including their record of compliance with laws and regulations and their ability to fulfill any commitments or conditions imposed by their primary Federal payment stablecoin regulator in connection with the application at issue or any prior application; whether the applicant's redemption policy meets the standards under section 4(a)(1)(B) of the GENIUS Act (12 U.S.C. 5903(a)(1)(B)); and any other factors established by the primary Federal payment stablecoin regulator that are necessary to ensure the safety and soundness of the permitted payment stablecoin issuer. Proposed § 15.30(c) contained the four specific factors established by section 5(c) of the GENIUS Act (12 U.S.C. 5904(c)), cross-referencing proposed § 15.12 for the redemption policy.

Section 5(d)(2)(A)(i) of the GENIUS Act (12 U.S.C. 5904(d)(2)(A)(i)) provides that a primary Federal payment stablecoin regulator shall only deny a substantially complete application if the regulator determines that the activities of the applicant would be unsafe or unsound based on the factors described in section 5(c) of the GENIUS Act (12 U.S.C. 5904(c)). Section 5(d)(2)(B) of the GENIUS Act (12 U.S.C. 5904(d)(2)(B)) requires that if a primary Federal payment stablecoin regulator denies a substantially complete application, it must provide written notice to the applicant not later than 30 days from the date of denial, explaining the denial with specificity, including all findings with respect to identified material shortcomings and actionable recommendations on how the applicant could address such shortcomings. Proposed § 15.30(d) set forth these provisions in regulation.

Section 5(d)(2)(C) of the GENIUS Act (12 U.S.C. 5904(d)(2)(C)) requires that an applicant whose application has been denied be given an opportunity for a written or oral hearing before the primary Federal payment stablecoin regulator to appeal the denial. The primary Federal payment stablecoin regulator shall notify the applicant of a time, not later than 30 days after receipt of a timely request for a written or oral hearing, and place for the applicant to appear, personally or through counsel, to submit written materials or provide oral testimony and oral argument. The primary Federal payment stablecoin regulator must notify the applicant of a final determination, the basis for that determination, and specific findings, not later than 60 days after the hearing. If an applicant does not make a timely request for a hearing, the primary Federal payment stablecoin regulator shall notify the applicant in writing not later than 10 days after the expiration of the hearing request period that the denial is a final determination.

Proposed § 15.30(e) set forth this appeals process, in accordance with the requirements of the GENIUS Act. Proposed paragraph (e)(1) provided that an applicant may request a written or oral hearing to appeal the OCC's denial of a substantially complete application within 30 days of receipt of the OCC's notice of denial. The request for a written or oral hearing would have needed to be in writing. Proposed paragraph (e)(2) provided that, if the applicant does not make a timely appeal for a hearing, the OCC will notify the applicant, in writing and within 10 days of the date the applicant would have been able to request a hearing, that the denial of the substantially complete application is the final determination of the OCC. Proposed paragraph (e)(3) provided that, within 30 days of receiving a timely appeal request, the OCC would have notified the applicant of a time and place at which the applicant may appear, personally or through counsel, to submit written materials or provide oral testimony and oral argument. The applicant would have needed to submit all documents and written arguments that the applicant wishes to be considered in support of a written appeal.

Proposed paragraph (e)(4) provided that the Comptroller or authorized delegate would conduct the appeals process, which would be a de novo review of the original substantially complete application, the material before the OCC official who made the initial denial decision, and any information submitted by the applicant at the time of the appeal. Proposed paragraph (e)(4) also provided that the Comptroller or authorized delegate could uphold or reverse the initial decision to deny the application. Proposed paragraph (e)(5) provided that the Comptroller or authorized delegate would have notified the applicant in writing of a final determination within 60 days of the hearing. The final determination would explain the findings on which the determination is based. If the initial decision were upheld, the decision to deny the substantially complete application would have been effective as of the date of the original denial. Finally, proposed paragraph (e)(6) expressly provided that denial of a substantially complete application would not have prohibited the applicant from filing a subsequent application, in accordance with section 5(d)(4) of the GENIUS Act (12 U.S.C. 5904(d)(4)).

Proposed § 15.30(f) would have implemented the safe harbor contained in section 5(f) of the GENIUS Act (12 U.S.C. 5904(f)), which permits the primary Federal payment stablecoin regulators to waive the requirements of the GENIUS Act for up to 12 months for (1) subsidiaries of insured depository institutions and (2) Federal qualified payment stablecoin issuers with pending applications as of the Act's effective date. Proposed paragraph (f)(1) stated that an insured national bank, Federal savings association, or insured Federal branch that has a pending substantially complete application under § 15.30 for a subsidiary to become a permitted payment stablecoin issuer on or before the effective date of the GENIUS Act may request, in writing, that the OCC waive the requirements of section 4 of the GENIUS Act (12 U.S.C.

5903) with respect to that subsidiary. Proposed paragraph (f)(2) provided the same for nonbank entities, uninsured national banks, and uninsured Federal branches applying to be a Federal qualified payment stablecoin issuer. This paragraph stated that the nonbank entity, uninsured national bank, or uninsured Federal branch that has a pending substantially complete application under this section to become a Federal qualified payment stablecoin issuer on or before the effective date of the GENIUS Act may request, in writing, that the OCC waive the requirements of section 4 of the GENIUS Act with respect to that entity. Proposed paragraph (f)(3) provided that the OCC may grant a waiver not to exceed 12 months beginning on the effective date of the GENIUS Act if it finds the waiver to be in the public interest or extraordinary circumstances justify the waiver. The OCC conveyed in the preamble to the proposed rule that it anticipates that it may begin evaluating any submitted requests for waiver after issuance of the final rule but before the final rule becomes effective. Finally, proposed paragraph (f)(4) clarified that the OCC could deny a substantially complete application under proposed paragraph (d) even if it grants a waiver.

Proposed paragraph (g)(1) set forth the OCC's ability to nullify the approval of a substantially complete application under proposed § 15.30 if there was a material misrepresentation or omission in the application or supporting materials provided to the OCC, if the decision was contrary to law or regulation, or was granted due to a clerical or administrative error or a material mistake of law or fact. Proposed paragraph (g)(2) stated that when the OCC intends to nullify the approval of a substantially complete application, the OCC, in its sole discretion, will provide the applicant notice of the intended nullification and grant the applicant an opportunity to oppose the intended nullification in writing, or take any other action designed to provide the applicant with notice and opportunity to present its views concerning the intended nullification.

b. Description of Comments and Final Rule

Application Process

A few commenters suggested the OCC integrate the licensing of issuers into Federal bank oversight, particularly with respect to subsidiaries of national banks and Federal savings associations because national banks and Federal savings associations may engage in stablecoin activities including issuance and because these entities are already subject to consolidated supervision. Several commenters suggested that to promote administrative efficiency, the OCC expressly allow § 15.30 to supersede all other OCC regulations addressing filing requirements. Other commenters argued against supersession where other licensing frameworks do not displace but rather operate in parallel with the framework of § 15.30. For example, these commenters stated parallel applications for interdependent corporate transactions are necessary where a national bank seeks to establish a subsidiary through which it would issue payment stablecoins. The commenters suggested that a national bank must file both an operating subsidiary application under § 5.34 and an application under § 15.30 seeking approval to issue payment stablecoins through a subsidiary.

The substantive licensing requirements for subsidiaries of insured depository institutions, uninsured national banks, Federal branches, and nonbank entities are the same under section 5 of the GENIUS Act. The only difference is that an insured depository institution applies to establish a subsidiary while prospective Federal qualified payment stablecoin issuers apply to issue directly. Because the substantive requirements are the same, the OCC believes that it is appropriate to address licensing of all permitted payment stablecoin issuers, including subsidiaries of insured national banks and Federal savings associations, in part 15. In addition, the OCC notes that, pursuant to 12 CFR 5.36(d)(1)(iii), an insured national bank or Federal savings association would not need to submit a separate filing under 12 CFR part 5 to establish a subsidiary permitted payment stablecoin issuer. The OCC intends the process provided under § 15.30 to be comprehensive for stablecoin issuance and other activities described in § 15.10(a). This is consistent with the OCC's general approach of not requiring multiple filings for the same activity. For example, to the extent that stablecoin issuance would involve membership in a payment system and notice to join a payment system was provided during the filing process, no additional filing under 12 CFR 7.1026 would be required at that time. However, an applicant that wishes to establish an uninsured national trust bank that would be a permitted payment stablecoin issuer will need to apply to form a de novo national bank under 12 CFR 5.20 or convert to a national bank under 12 CFR 5.24 and apply to become a permitted payment stablecoin issuer under 12 CFR 15.30(a) because different statutory and regulatory requirements apply to the formation of national banks and the licensing of permitted payment stablecoin issuers.[170] The OCC is adopting § 15.30(a) with a non-substantive change to paragraph (a)(1) to clarify that the subsidiary of an insured depository institution, rather than the insured depository institution itself, may issue payment stablecoins under the GENIUS Act.

Proposed paragraph (b)(1)(i) would have required that the applicant submit all the information required by the form for an application under this section that would be available at *www.occ.gov*. Under proposed paragraph (b)(1)(ii) each director, executive officer, and principal shareholder of the applicant (or in the case of an applicant that is an insured national bank, Federal savings association, or Federal branch, of the subsidiary of the applicant) would have been required to submit the information prescribed in the Interagency Biographical and Financial Report available at *www.occ.gov*.[171] Proposed paragraph (b)(1)(iii) would have required that the applicant certify that neither the filing nor any supporting material submitted to the OCC contains material misrepresentations or omissions.

One commenter requested that the OCC provide, for notice and comment, application forms that market participants would have to submit to the OCC to become permitted payment stablecoin issuers under proposed § 15.30(b)(1)(i). The commenter also requested these forms outline substantive information requirements and approval conditions which would not be subject to change absent additional opportunity for notice and comment. Pursuant to the Paperwork Reduction Act of 1995, the OCC is soliciting comment on § 15.30 information collections that will be contained in the licensing forms and required applications.[172]

---

[170] *Compare* 12 U.S.C. 21 *et seq. with* 12 U.S.C. 5901 *et seq.*

[171] Under § 15.2 principal shareholder means ''a person who directly or indirectly or acting in concert with one or more persons, or together with members of their immediate family, will own, control, or hold 10 percent or more of the voting stock of the permitted payment stablecoin issuer or applicant.'' Thus, persons that are principal shareholders as a result of indirect control must submit the information in the Interagency Biographical and Financial Report.

[172] *Agency Information Collection Activities: Proposed Information Collection; Comment Request; Applications for Licensing or Registration*

Several commenters suggested the types of information the OCC should require to be included in applications made pursuant to § 15.30. Some commenters supported traditional data inputs such as unique identification numbers to optimize application tracking and business model descriptions including incentive structures associated with stablecoin use to ensure the GENIUS Act's prohibition on yield is observed. One of the commenters requested clarification on what information the OCC would require to evaluate management competence and experience in the absence of direct regulatory stablecoin experience. The same commenter also requested clarification on what information the OCC will require with respect to in-kind capital contributions. Another commenter suggested that applicants seeking approval or waiver under § 15.30 provide a narrative description detailing stablecoin issuance and settlement, sustained operational capacity, governance and control structures, recovery procedures, sequencing dependencies, and material third-party operational relationships. A third commenter proposed that applications be prepared in a digital, machine-readable format to generate useful regulatory data and lower costs. Proposed § 15.30(c), consistent with section 5(c) of the GENIUS Act (12 U.S.C. 5904(c)), enumerated the criteria, including expectations for officers, directors, and principal shareholders, pursuant to which applications will be evaluated. Proposed subpart E, consistent with section 4(a)(4) of the GENIUS Act (12 U.S.C. 5903(a)(4)), discusses capital requirements. As discussed in greater detail below, the final rule adds as a review criterion, under § 15.30(d)(5), the ability of the applicant to conduct its proposed activities in a safe and sound manner, including whether the applicant's proposed structure adequately addresses run risks and adequately ensures the ability to redeem payment stablecoins. The required application information will be consistent with the enumerated criteria, and information submitted by an applicant should be sufficient to allow the OCC to render a decision on whether the applicant satisfies the enumerated criteria. As the OCC gains additional experience and data from licensing permitted payment stablecoin issuers, it will consider updating required application information as well as the format in which it is submitted.

A commenter recommended that applications submitted pursuant to section 5 of the GENIUS Act (12 U.S.C. 5904) be subject to notice and comment because the public may have material information regarding the competence, experience, or integrity of an applicant's officers, directors, or principal shareholders, and their history of compliance with applicable law. The commenter suggested that soliciting this information from the public would complete the record with respect to relatively new institutions that have not undergone supervisory evaluation over a meaningful period and would align with solicitation of public comments in other licensing contexts. Section 5 of the GENIUS Act (12 U.S.C. 5904) does not require application filers to publish notice. Moreover, review of public comments can require material additional resources (especially considering the potential number of applicants) and might not provide the OCC with relevant information in the licensing context to which it may not already have access. The OCC therefore declines to impose a notice-and-comment requirement as part of the application process. Nevertheless, the OCC retains discretion to publish notice requesting comment on an application filing in which the OCC's evaluation of the application would benefit from public comment.

The OCC is adopting paragraph (b)(1) with certain changes. The OCC is moving language concerning the OCC's review and verification of information to paragraph (b)(4). In addition, new paragraph (b)(1)(iv) provides that an applicant must certify whether section 4(a)(12) of the GENIUS Act (12 U.S.C. 5903(a)(12)), which applies certain additional requirements to non-financial services public companies, applies to the issuer. Including this information at the application stage will make clear which requirements of the Act apply to a particular entity and make the application process and ongoing supervision more transparent and efficient. If the OCC determines that an applicant is subject to the requirements of section 4(a)(12) of the Act, the applicant may be subject to the additional requirements set out in that section of the Act, and the OCC may require additional application process steps prior to approval or place associated conditions on application approval. For example, the OCC may approve the application conditioned on the applicant receiving a requisite finding of the Stablecoin Certification Review Committee prior to issuing any payment stablecoins, as applicable, based on any rules issued by the Stablecoin Certification Review Committee.

In addition, paragraph (b)(1)(ii) of the final rule requires submission of the information prescribed in the Corporate Background and Financial Report, as applicable, in addition to Interagency Biographical and Financial Reports to ensure that the OCC receives the information necessary to evaluate entities that are or will be principal shareholders of permitted payment stablecoin issuers. Paragraph (b)(1)(ii) also adds the word ''insured'' before ''Federal branch'' to clarify what requirements apply to an uninsured Federal branch directly and what requirements apply to the subsidiary of an insured Federal branch.

Proposed paragraph (b)(2) would have directed that an application be submitted to the appropriate OCC licensing office, unless the OCC advises a filer otherwise. The certification and location of filing provisions were substantially the same as those in the OCC's general application filing provisions in 12 CFR 5.4. The OCC received no comments on paragraph (b)(2) and is adopting paragraph (b)(2) as proposed.

Proposed § 15.30(b)(3) included provisions regarding substantially complete applications and the review thereof. A few commenters recommended that the final rule include transparent ''stop-the-clock'' criteria or a ''deemed-complete backstop'' because the approval process does not provide applicants with recourse if the OCC fails to notify an applicant within 30 days of receipt of an application that the application is not substantially complete. The commenters reasoned that having a rigidly time-bound process with clear escalation mechanisms would add predictability to the application process and promote market confidence. As provided under proposed § 15.30(b)(3), and consistent with section 5(d)(1)(B) of the GENIUS Act (12 U.S.C. 5904(d)(1)(B)), the OCC would have been required to notify an applicant if its application is substantially complete not later than 30 days after receipt of the application. If an application were not substantially complete, the OCC would have notified the applicant of the information required for the application to be substantially complete within the same 30-day period. Upon receipt of the additional information, the OCC would have notified the applicant, not later than 30 days after receipt of the additional information, whether the application is substantially complete. Additionally, section 5(d)(3) of the

To Issue Payment Stablecoins Under the GENIUS Act, 91 FR 47032 (July 27, 2026).

GENIUS Act (12 U.S.C. 5904(d)(3)) provides that an application is deemed approved if the primary Federal payment stablecoin regulator fails to render a decision within 120 days of receipt of a substantially complete application. Thus, the process imposes clear, time-limited requirements on the processing of the application by the OCC.

The OCC is adopting § 15.30(b)(3) with changes. The OCC is breaking paragraph (b)(3)(ii) into two subparagraphs. The OCC is adding § 15.30(b)(3)(vi) to state that the OCC will return without decision an application that remains not substantially complete 60 days after the OCC provides the notice described in § 15.30(b)(3)(ii)(B). The proposed rule did not discuss the disposition of an application that does not become substantially complete despite OCC notification that the application lacks information required under § 15.30(b)(3)(i). The OCC is adding this provision to clarify the disposition of these applications, which parallels the OCC's procedure for returning a filing as materially deficient under 12 CFR 5.13(c).

Additionally, the OCC is making two minor technical changes to the final rule. First, final § 15.30(b)(3)(iii) omits the word ''now'' as it was unnecessary. Second, final § 15.30(b)(3)(v) describes a material change in circumstances that causes the OCC to treat the application as a new application rather than one that requires the OCC to treat the application as a new application. These minor changes are intended to provide additional clarity.

Consistent with the OCC's general licensing regulations in 12 CFR 5.7, proposed § 15.30(b)(4) provided that the OCC may examine or investigate and evaluate facts relating to an application under this section to the extent necessary to reach an informed decision. Proposed paragraph (b)(4) stated that the OCC may collect fingerprints of the individuals listed in proposed paragraph (b)(1)(ii) for submission to the Federal Bureau of Investigation for a national criminal history background check. The OCC received no comments on proposed § 15.30(b)(4). As described above, the OCC is moving language concerning the OCC's review and verification to § 15.30(b)(4)(i) and breaking up and renumbering proposed § 15.30(b)(4) as paragraphs (b)(4)(ii) and (iii).

Section 5(d)(3) of the GENIUS Act (12 U.S.C. 5904(d)(3)) provides that an application is deemed approved if the primary Federal payment stablecoin regulator fails to render a decision within 120 days of receipt of a substantially complete application. Proposed § 15.30(b)(5) provided that a substantially complete application under that section would have been deemed approved as of the 120th day of receipt by the OCC of the substantially complete application, unless the OCC denied the application under proposed paragraph (d) of that section. Consistent with the discussion of comments above, the OCC is adopting paragraph (b)(5) with additional language to clarify that, if the OCC denies an application, it must do so within 120 days of receiving a substantially complete application.

Conditional Approvals

A few commenters urged the OCC to establish a conditional approval process under § 15.30 analogous to the process the OCC employs when chartering a de novo bank. Commenters suggested that conditional approvals be subject to continued compliance with applicable laws and regulations, including consumer protection obligations related to fraud and error resolution and data privacy and security. Commenters also recommended that conditional approvals incorporate a written commitment by a permitted payment stablecoin issuer to operate in a safe and sound manner and by its parent company (where applicable) to serve as a source-of-strength. A separate commenter recommended the OCC consider certain precursor events such as an enforcement action by another regulatory agency or critical safety and soundness issues as triggering conditions for the rescission of a § 15.30 conditional approval. The OCC agrees with commenters that it would be appropriate to explicitly provide for a conditional approval process in the final rule.

Sections 4(h)(1), 5(c)(3)(B), and 6(b)(2) of the GENIUS Act (12 U.S.C. 5903(h)(1), 5904(c)(3)(B), and 5905(b)(2)) recognize the OCC's authority to impose conditions on a permitted payment stablecoin issuer. Including language in the final rule clearly articulating the OCC's authority to impose conditions through a conditional approval will provide transparency and clarity to prospective permitted payment stablecoin issuers. Accordingly, the OCC is adding a new § 15.30(c) stating that the OCC may approve, conditionally approve, or deny a substantially complete application under § 15.30 based on a review of the factors specified in paragraph (d), which now contains the material included in § 15.30(c) of the proposed rule.[173] The OCC is also renumbering § 15.30 in light of this new paragraph. Any conditions imposed will be designed to address the statutory review factors in section 5(c) of the Act (12 U.S.C. 5904(c)) and the implementing regulation at § 15.30(d), including the ability of the applicant to conduct its proposed activities in a safe and sound manner. Under new § 15.30(c), the OCC may, for example, condition an approval on the applicant implementing policies and procedures necessary to comply with section 4 of the GENIUS Act (12 U.S.C. 5903) and as described in the applicant's application. The OCC may also include a condition requiring an applicant to provide notice before significantly deviating from its business plan or to hold reserve assets in a manner that adequately protects claims of payment stablecoin holders in the event of the applicant's insolvency. In general, the OCC expects that permitted payment stablecoin issuers will not incur material liabilities other than payment stablecoin liabilities or maintain significant assets other than those listed in final § 15.11 without the OCC's express, written approval. While permitted payment stablecoin issuers could own other assets pursuant to final § 15.10, the OCC generally expects these assets to be limited in quantity relative to assets permitted under final § 15.11. Under proposed subpart D of part 15, the OCC would have reviewed the proposed permitted payment stablecoin issuer's proposed activities, including its projected assets and liabilities, prior to deciding on an application. The GENIUS Act does not prescribe an obligation that an insured depository institution serve as a source of strength to a subsidiary permitted payment stablecoin issuer.

[173] Consistent with section 5 of the GENIUS Act, there will not be a two-phase approach to approval of permitted payment stablecoin issuer applications. Rather, once approved or conditionally approved, an applicant is a permitted payment stablecoin issuer and may commence operations as a permitted payment stablecoin issuer and is otherwise permitted to conduct business under applicable law. If a permitted payment stablecoin issuer is provided conditional approval this means that it will be subject to certain conditions on its activities or operations, rather than requiring additional review before the entity is permitted to conduct business, such as the OCC's general two-phase approval process for de novo national banks. A national bank, Federal savings association, or Federal branch that submits an application to be a permitted payment stablecoin issuer, either directly or through a subsidiary, as applicable, in connection with a de novo charter or license application must still, however, receive final approval from the OCC to open before it is permitted to conduct business either directly or through a subsidiary. *See, e.g.*, 12 U.S.C. 27 (authorization for a national bank to conduct business).

Application Standards and Additional Factors

Proposed § 15.30(c) included the statutory factors in section 5(c) of the GENIUS Act (12 U.S.C. 5904(c)) that a primary Federal payment stablecoin regulator could have considered when evaluating a complete application. The OCC requested comment on whether the OCC should include additional factors necessary to ensure the safety and soundness of a permitted payment stablecoin issuer.

Several commenters supported inclusion of a principles-based safety and soundness factor based on objective benchmarks. Specifically, commenters recommended that the safety and soundness evaluation consider whether an applicant evidences operational and governance capacity to run a stablecoin business responsibly at scale, a mature compliance architecture that supports an effective control environment, and substantiated financial viability. Commenters recommended that operational capacity be assessed based on an applicant's technology infrastructure (including smart contract, private key, and cybersecurity management), exposure to third-party technology dependencies (*e.g.*, blockchain validators, oracle providers, and cloud infrastructure), and capacity for business continuity and disaster recovery to preserve redemption reliability and avoid systemic contagion. Commenters recommended that governance capacity be assessed based on an applicant's ownership chain, board and senior management responsibility for stablecoin operations, oversight of interaffiliate service arrangements and transactions, and staffing adequacy.

Commenters recommended that the maturity of an applicant's compliance architecture be evaluated based on the ability of its systems to monitor compliance with BSA/AML and OFAC requirements (including capabilities with respect to customer verification, the Travel Rule, and transaction monitoring and sanctions screening calibrated to the velocity and pseudonymity of on-chain activity), consumer compliance (including prohibitions on unfair or deceptive acts or practices, fraud prevention, and error resolution and dispute rights), and effective third-party oversight (including data privacy and security).

Commenters recommended that financial viability be assessed based on reserve integrity observable in real time (including reserve composition, transaction flows, counterparty exposure, and funding strategy), liquidity management controls, the revenue model and projected operational expenses (including adequate funding of an applicant's operational backstop at inception), and sustainability of an applicant's redemption model under various stress scenarios. One commenter also encouraged the OCC to ensure that a nonbank applicant is assessed consistent with the principle of ''same risk, same regulation'' and also ensure that a State qualified payment stablecoin issuer transferring to OCC jurisdiction has obtained a unanimous vote of the Stablecoin Certification Review Committee. While agreeing that a safety and soundness factor should be explicitly included in the regulatory text of the final rule, another commenter recommended against a checklist of safety and soundness criteria to avoid stifling innovation and discouraging non-traditional, low-risk business models. Other commenters opposed adding specific safety and soundness factors to the final rule as they would not be anchored in statutory requirements and would impose additional hurdles and unnecessary administrative gloss.

The OCC agrees with some of the commenters that the final rule would benefit from an explicit reference to safety and soundness in the review factors given that it is included in the statutory factors for review and denial of an application. The OCC believes that this reference should be sufficiently detailed to provide applicants guidance. Accordingly, the OCC is adopting § 15.30(c) as proposed (renumbered as § 15.30(d)) with the addition of a new review factor in subparagraph (5). Under the final rule, the OCC will also consider the ability of the applicant (or in the case of an applicant that is an insured national bank, Federal savings association, or insured Federal branch, of the subsidiary of the applicant) to conduct its proposed activities in a safe and sound manner, including whether the applicant's proposed structure adequately addresses run risks and adequately ensures the ability to redeem payment stablecoins.

Some commenters expressed concern that they believe the standards under proposed § 15.30 are weaker than those established for approvals of insured de novo banks. Specifically, commenters were concerned that the proposal did not address the convenience and needs of the community that an applicant intends to serve or require consistency of an applicant's corporate powers with the purposes of the Federal Deposit Insurance Act (*i.e.*, ensuring the safety and soundness of FDIC-insured depository institutions and consumer protection). The GENIUS Act does not apply deposit insurance requirements to payment stablecoin issuers. Section 4(e) of the GENIUS Act (12 U.S.C. 5903(e)) explicitly states that payment stablecoins shall not be subject to deposit insurance by the FDIC. The OCC believes that the statutorily enumerated approval factors under § 15.30, combined with the additional safety and soundness requirement under the final rule, are sufficient for the OCC to make an appropriate determination under § 15.30, particularly in light of the limited activities and authorities of permitted payment stablecoin issuers relative to insured depository institutions.

One commenter recommended the OCC periodically revise application standards and processes to ensure that they remain appropriately tailored to observed risks and market developments. The OCC may engage in future rulemaking to revise this approach, as needed, as it gains additional experience and data concerning the application process.

Denial

Section 5(d)(2)(A)(i) of the GENIUS Act (12 U.S.C. 5904(d)(2)(A)(i)) provides that a primary Federal payment stablecoin regulator shall only deny a substantially complete application if the Federal payment stablecoin regulator determines that the applicant's activities would be unsafe or unsound based on the factors described in section 5(c) of the GENIUS Act (12 U.S.C. 5904(c)). Section 5(d)(2)(B) of the GENIUS Act (12 U.S.C. 5904(d)(2)(B)) requires that if a primary Federal payment stablecoin regulator denies a substantially complete application, it must provide written notice to the applicant not later than 30 days from the date of denial, explaining the denial with specificity, including all findings with respect to identified material shortcomings and actionable recommendations on how the applicant could address such shortcomings. Proposed § 15.30(d) set forth the bases and process for denial of a substantially complete application. The OCC received no comments on proposed § 15.30(d) other than the comments addressing timing concerns addressed above. The OCC is making five technical changes. First, the OCC is renumbering § 15.30(d) to § 15.30(e) and adjusting the references within § 15.30(e) in light of new paragraph (c). Second, the OCC is breaking up § 15.30(e)(1) into two new paragraphs (e)(1) and (e)(2). Third, the final rule includes a new paragraph (e)(3) stating that the denial of a substantially

complete application does not prohibit the applicant from filing a subsequent application. This provision previously appeared in proposed paragraph (e)(6). Since the provision concerns the denial of substantially complete applications, the OCC is moving it to final paragraph (e). This provision would ensure that the OCC retains its authority under the remainder of proposed § 15.30 and section 5 of the GENIUS Act (12 U.S.C. 5904) and would provide for appropriate review of applications. The OCC is also replacing the word ''disapproval'' with ''denial'' to more closely align with the relevant statutory language. Finally, the OCC is breaking up certain paragraphs from the proposal into separate new paragraphs and renumbering appropriately. The OCC is otherwise adopting § 15.30(d) as proposed.

Appeals

Proposed § 15.30(e) set forth the appeals process, in accordance with the requirements of section 5(d)(2)(C) of the GENIUS Act (12 U.S.C. 5904(d)(2)(C)). The OCC received no comments on proposed § 15.30(e) and is finalizing it as proposed with minor clarifications.

First, the paragraph is renumbered as § 15.30(f). Second, § 15.30(f)(1) has been rewritten slightly for clarity. The revised paragraph states that an applicant may request a hearing to appeal the OCC's denial of a substantially complete application within 30 days of receipt of the OCC's notice of denial. The request for a hearing must be in writing. The applicant may request that the hearing be on the written record, oral testimony and oral argument, or both. Third, the OCC is clarifying in final § 15.30(f)(2) that the OCC will notify the applicant in writing within 10 days of the *last* date the applicant would have been able to request a hearing. The addition of the word ''last'' removes ambiguity and ensures that applicants have sufficient time to request an appeal. The OCC is also revising final paragraph (f)(3) to provide additional clarity. The revised paragraph states that within 30 days of receiving a timely appeal request, the OCC will notify the applicant of a time and place at which the applicant may appear, personally or through counsel, to submit written materials, provide oral testimony and oral argument, or both. If filing a written appeal, the applicant must submit in writing all documents and arguments that the applicant wishes to be considered. The OCC is also revising final paragraph (f)(4) to replace the words ''de novo'' with ''anew.'' The OCC is also breaking apart paragraphs (f)(4) and (f)(5) into multiple subparagraphs. The OCC is also adding new paragraph (f)(6) to clarify that the OCC will determine the procedures for a hearing under paragraph (f), including, but not limited to, the duration of the hearing; the order and timing of presentations, if applicable; and the deadlines and requirements for submission of written material. Finally, as discussed above, the OCC is moving proposed paragraph (e)(6) concerning submission of a subsequent application after denial so that it is in the paragraph concerning denials of applications. The OCC notes that the appeals process set forth in § 15.30(f) is the exclusive means of appealing the OCC's determination under § 15.30 within the OCC. Other processes, such as those set forth in 12 CFR part 4, are inapplicable.

Waiver Under Section 5(f) of GENIUS Act

As discussed briefly above, proposed § 15.30(f) provided that pursuant to section 5(f) of the GENIUS Act (12 U.S.C. 5904(f)), the OCC could waive the requirements of section 4 of the GENIUS Act (12 U.S.C. 5903) for up to 12 months for subsidiaries of insured depository institutions and for Federal qualified payment stablecoin issuers with pending applications as of the Act's effective date.

A few commenters suggested the OCC adopt standards for review of waiver determinations that consider (1) the size, scope, and complexity of an applicant and its proposed activities; (2) the nature, scope, and duration of the requested waiver; (3) the applicant's existing supervisory framework and regulatory oversight; and (4) the applicant's risk management, compliance, and governance capabilities relative to the requirements being waived. Other commenters were generally concerned that waiver from the reserve, redemption, or capital requirements may pose systemic risks and that waivers should be construed narrowly and not used to confer a competitive advantage to any single applicant. Commenters also requested that the OCC clarify the factors it would consider in determining whether a waiver is in the public interest or justified by extraordinary circumstances and suggested waivers only be granted where an applicant demonstrates a compelling and well-substantiated need for the relief such as technical infeasibility based on existing infrastructure.

One commenter suggested the OCC grant waivers subject to conditions necessary to ensure safe and sound operations and to mitigate potential risks to the broader financial system. Another commenter recommended that the OCC establish a transition mechanism or exemptive relief for noncompliance while applications remain pending rather than require an applicant to submit a waiver request. A third commenter recommended that the OCC distinguish between waivers at initial application and those meant to accommodate product evolution or market expansion. The same commenter also suggested that the OCC publish a public registry of waiver decisions to avoid differential treatment of similarly situated applicants and to produce consistent results. Conversely, one commenter stated that the waiver standards under proposed § 15.30(f) are sufficient and any additional considerations would add unnecessary administrative gloss and complexity.

After considering the comments, the OCC is adopting § 15.30(f) with certain changes. Consistent with the language of section 5(f) of the GENIUS Act (12 U.S.C. 5904(f)), the final rule is not limited to waiving the requirements of section 4 of the Act (12 U.S.C. 5903) and instead refers to the GENIUS Act and part 15 more broadly.[174] The final rule renumbers § 15.30(f) as § 15.30(g) and makes conforming renumbering changes throughout. The final rule also clarifies that the effective date of the GENIUS Act is January 18, 2027, and moves certain language from paragraph (g)(3) to paragraph (g)(3)(i). An applicant seeking a waiver under final § 15.30(g) should explain the basis for its request, the extent of the requirement(s) to be waived, the potential for disruptions to existing operations, and the applicant's plan to come into compliance with the relevant requirements. This information will enable the OCC to determine whether a waiver request is in the public interest or whether there are extraordinary circumstances justifying the waiver. Items that the OCC may consider in evaluating a waiver would include whether the waiver would pose prudential, compliance, or other concerns of a magnitude that would make a grant of waiver imprudent or impractical.

The OCC will make waiver determinations following receipt of the initial waiver request. While the OCC may grant a waiver for up to 12 months, the OCC does not anticipate that a permitted payment stablecoin issuer will need the full 12 months to come into compliance with the GENIUS Act. Additionally, while the waiver

[174] For example, the OCC could waive the limitation in section 3(a) of the Act (12 U.S.C. 5902(a)) that provides that it shall be unlawful for any person other than a permitted payment stablecoin issuer to issue a payment stablecoin in the United States.

provision allows the OCC to waive the requirements of the Act, the OCC retains discretion to choose which provisions of the Act to waive. The OCC generally expects that any such waivers will be limited to the relief necessary to ensure that it is not impossible or impracticable to comply with the Act. Further, in line with current OCC practice, the OCC plans to regularly publish, on its publicly facing website, conditional approvals and other decision letters.

Two commenters also suggested that waiver requests under section 5(f) of the GENIUS Act (12 U.S.C. 5904(f)) be subject to public notice and an opportunity to comment. One of the commenters was concerned that granting relief from the reserve, redemption, or capital requirements may affect the stability of the broader stablecoin market, the competitive position of compliant issuers, and the interests of consumers and counterparties. The commenter stated that public notice and comment would address this concern by permitting market participants and other affected parties to identify potential systemic or competitive risks and support consistent application of the GENIUS Act across the supervised population. Section 5(f) of the GENIUS Act (12 U.S.C. 5904(f)) does not require applicants seeking waiver to publish notice, and the OCC is not codifying a requirement to seek public comment on a waiver. Nevertheless, the OCC retains authority to request comment on waiver filings that would benefit from public comment concerning the factors set forth in § 15.30(g) of the final rule.

Two commenters supported interagency coordination to promote consistency and competitive neutrality across section 5(f) waiver regimes. The OCC has extensive experience in processing applications in coordination with other regulators to streamline application review and avoid regulatory deadlock. The OCC will continue to coordinate implementation of the GENIUS Act with the other primary Federal payment stablecoin regulators, as appropriate.

Proposed § 15.30(g) set forth the statutory bases and process for the OCC's ability to nullify the approval of a substantially complete application under proposed § 15.30. The OCC received no comments on paragraph (g), renumbered as § 15.30(h), and is adopting it with minor changes. Specifically, the final rule deletes the word ''thereunder'' as unnecessary. The OCC believes that the provisions in paragraph (h) will help preserve the integrity of the application process and are aligned with those in its licensing process under 12 CFR part 5.[175] The OCC notes that it rarely, and only in extraordinary circumstances, nullifies decisions under § 5.13(h).

4. General Foreign Payment Stablecoin Issuers Framework

Section 18 of the GENIUS Act (12 U.S.C. 5916) generally addresses foreign issuers and provides an exemption from the prohibitions of section 3 of the Act (12 U.S.C. 5902) for issuers that meet certain requirements. Under section 18, for an issuer to be exempt from those prohibitions, among other conditions, the Secretary of the Treasury must determine that the issuer is subject to regulation and supervision by a foreign payment stablecoin regulator that has a regulatory and supervisory regime comparable to the GENIUS Act. In addition, the foreign payment stablecoin issuer must register with, and be subject to ongoing monitoring by, the OCC. Section 18 also contemplates that the Secretary of the Treasury may create and implement reciprocal arrangements or other bilateral agreements between the United States and jurisdictions with payment stablecoin regulatory regimes that are comparable to the requirements established under the GENIUS Act. The OCC proposed to implement the provisions of the GENIUS Act relating to foreign payment stablecoin issuers for which the OCC is responsible in §§ 15.31 through 15.33. A discussion of comments received and the changes to those particular sections follows.

Some commenters provided broad, overarching comments concerning the OCC's implementation of provisions relating to foreign payment stablecoin issuers. One commenter stated that the OCC should adhere to the principle of national treatment in its rulemaking and interpretation of the GENIUS Act, which the commenter said would support robust competition, market liquidity, and diversified sources of credit. One commenter suggested that the OCC's rulemaking authority with respect to foreign payment stablecoin issuers relates only to standards for approval of registration requests and the process for appealing denials of registration requests because the Department of the Treasury is charged more broadly with rulemaking authority to carry out section 18 of the GENIUS Act. Several comments focused on how a foreign regime is determined to be comparable to the GENIUS Act. Some commenters stated that the OCC's role does not extend to evaluating the quality of a foreign payment stablecoin issuer's home-country regulations. One commenter suggested that the OCC clarify the criteria by which state and foreign supervisory regimes are evaluated for equivalence, including objective benchmarks for reserve localization, liquidity coverage, and supervisory intensity. Another commenter suggested that the OCC should adopt a stringent comparability standard that requires foreign regimes to demonstrate substantive equivalence—not merely formal similarity—to United States reserve quality, audit standards, redemption protections, and AML/CFT requirements. The commenter asserted that U.S.-based issuers must not be placed at an economic disadvantage relative to foreign issuers operating under less rigorous regimes. The commenter also noted that the OCC should require ongoing monitoring and periodic recertification of foreign regime comparability and should establish clear triggers for the suspension or revocation of a foreign payment stablecoin issuer if that jurisdiction's standards deteriorate. The commenter also requested clarification of how the Stablecoin Certification Review Committee will evaluate foreign regimes and what specific role public input will have in that evaluation process. A commenter further stated that the OCC should not extend the regime applicable to permitted payment stablecoin issuers to foreign issuers not expressly provided for in the Act as Treasury is responsible for assessing the comparability of home-country requirements. One commenter suggested that the OCC publish guidance, interpretive materials, or supervisory statements setting out how each substantive requirement in the proposed rule applies to foreign payment stablecoin issuers, including where functional equivalence with home-jurisdiction standards will be recognized and what the process is for demonstrating that equivalence.

The final rule, like the proposed rule, does not require the OCC to evaluate the quality of a foreign payment stablecoin issuer's home-country regulations. That role is reserved for the Secretary of the Treasury. With respect to requirements of registration, the final rule, like the proposal, adheres closely to the statutory requirements with certain additional clarifications necessary to effectuate a registration process and give market participants clarity on how to register with the OCC.

A few commenters argued that the OCC should not prescribe substantive requirements for foreign payment stablecoin issuers in the United States. A commenter stated that proposed subpart D should more closely reflect the statutorily specified role of the OCC

[175] *See* 61 FR 60342, 60346 (November 27, 1996).

regarding the substantive regulation of foreign issuers while preserving the OCC's supervisory oversight. A commenter stated that it should not be necessary for the OCC to create any new requirements in the registration process beyond what is required by the Act. One commenter suggested that foreign payment stablecoin issuers should be subject to requirements that achieve equivalent outcomes as the requirements imposed on permitted payment stablecoin issuers. Some commenters requested that there be no requirement limiting foreign payment stablecoin issuers to a single brand of payment stablecoin. Some commenters also stated that foreign payment stablecoin issuers should be required to redeem at par to provide parity with permitted payment stablecoin issuers, which must redeem at par. Commenters also asked whether foreign payment stablecoin issuers have an obligation to redeem with respect to any payment stablecoin holder. A few commenters discussed reserve requirements and the treatment of yield. One commenter suggested that the requirements addressing the interface between the issuer and United States customer and United States infrastructure, for example, reserve requirements, United States customer determination, and yield prohibition, should apply directly to foreign issuers. The commenter also suggested that the OCC should consider the Financial Action Task Force's March 2026 report on the regulation and supervision of offshore virtual asset providers in shaping its approach.

Another commenter suggested that the OCC should provide explicit guidance on managing conflict-of-law risks and cross-jurisdictional regulatory obligations. The commenter also indicated that foreign issuers should be subject to requirements proportionate to and consistent with those applied to domestic issuers where comprehensive consolidated supervision is in place. The commenter noted that more extensive requirements on foreign issuers could discourage participation without materially improving safety or consumer protection.

A few commenters suggested that the OCC not allow foreign-issued stablecoins to operate without reserve verification. The commenters argued that United States issuers should not be subject to rules that are more stringent than those for foreign issuers. Under the OCC's rule, foreign issuers are subject to the same reporting requirements as permitted payment stablecoin issuers, and monthly reporting requires providing information about reserve assets.

The Act imposes substantive requirements on foreign payment stablecoin issuers, which the final rule, like the proposed rule, implements. These requirements include the yield prohibition in section 4(a)(11) of the Act (12 U.S.C. 5903(a)(11)), the requirement to hold reserves sufficient to meet liquidity demands of United States customers in section 18(a)(3) of the Act (12 U.S.C. 5916(a)(3)), and the requirement to be subject to ongoing monitoring in section 18(c)(2) of the Act (12 U.S.C. 5916(c)(2)). As described in greater detail below, the final rule imposes certain requirements directly related to the statute but does not impose all of the requirements applicable to permitted payment stablecoin issuers. The OCC believes that imposing all such requirements on foreign payment stablecoin issuers would be inconsistent with the role of the Secretary of the Treasury in evaluating a foreign regime to determine if the regime is comparable to the GENIUS Act. The Secretary of the Treasury also retains the ability to enter into reciprocal arrangements that may include substantive requirements with respect to foreign payment stablecoin issuers' payment stablecoin activities. Moreover, the OCC may impose, as a condition of registration, certain requirements applicable to permitted payment stablecoin issuers on foreign payment stablecoin issuers, if the OCC determines necessary based on the facts relevant to a prospective foreign payment stablecoin issuer's registration. The OCC intends to use such conditions, as appropriate, based on the particular facts, including the degree to which the payment stablecoin circulates in the United States. With respect to a limitation on issuing more than one brand of payment stablecoin, as discussed more extensively in the portion of this supplementary information addressing subpart B of part 15, the OCC is not adopting any such requirement in regulation text for permitted payment stablecoin issuers or foreign payment stablecoin issuers. The OCC may, however, impose conditions concerning the issuance of multiple brands, as appropriate, based on the facts of a particular applicant. The OCC also confirms that foreign payment stablecoin issuers, like permitted payment stablecoin issuers, must redeem payment stablecoins at par. This requirement follows from the definition of payment stablecoin in section 2(22) of the GENIUS Act (12 U.S.C. 5901(22)), which provides that the issuer is obligated to convert, redeem, or repurchase the payment stablecoin for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value. As with a permitted payment stablecoin issuer, a foreign payment stablecoin issuer would likewise be required to redeem from any payment stablecoin holder, subject to appropriate onboarding. Although foreign payment stablecoin issuers might generally interact with a small number of customers (*e.g.,* exchanges), they should ensure that they have the capacity to onboard and redeem from other payment stablecoin holders. This approach is consistent with the definition of payment stablecoin and helps ensure parity between permitted payment stablecoin issuers and foreign payment stablecoin issuers.

Several commenters discussed issues relating to capital requirements for foreign payment stablecoin issuers. One commenter supported having no formal capital requirements on registered foreign payment stablecoin issuers. One commenter suggested that a capital requirement should be applied to the United States operations of foreign issuers. Another commenter stated that the OCC should apply subpart E to the United States operations of foreign payment stablecoin issuers, and it should do so with respect to United States operational continuity, United States compliance and control functions, United States customer servicing, United States legal and resolution risks, and United States wind-down capacity. Another commenter suggested that foreign issuers should be required to assess capital adequacy on a quarterly basis using the requirements in proposed subpart E. The commenter suggested that the foreign issuer determine capital based on total issuance activity that occurs in the United States over the quarterly assessment period. The commenter recommended that the burden fall on the foreign issuer to conduct conversions between relevant currencies. The commenter also recommended that the OCC require foreign issuers to submit a report demonstrating compliance with this assessment on the same quarterly frequency. One commenter suggested that the OCC should require foreign issuers that seek to operate in the United States to be subject to home-country capital requirements that are consistent with capital requirements to which domestic permitted payment stablecoin issuers are subject. The commenter further noted the importance of the OCC establishing a standardized framework to determine

the minimum capital requirements applicable to domestic permitted payment stablecoin issuers. A few commenters discussed adopting a functional equivalence approach. One commenter suggested that applying capital requirements to foreign issuers' United States operations would put foreign and domestic issuers in comparable positions. The commenter noted that if a foreign issuer is subject to comparable capital requirements under its home-jurisdiction regulatory framework, then the OCC should recognize those requirements of the relevant regulator. The commenter further noted that if no comparable home-jurisdiction capital framework exists for the foreign issuer, then the OCC should have discretion to apply proportionate capital requirements according to the scale and risk profile of the issuer's United States operations. Another commenter also supported applying capital requirements to United States operations of foreign issuers registered with the OCC. The commenter also suggested that the OCC should not require additional capital beyond what the home-country capital regime had already mandated where a foreign issuer's home-country regulatory framework imposed more stringent capital requirements than the United States requirements. Another commenter suggested that the OCC should apply capital or operational backstop expectations to the U.S.-facing operations of foreign payment stablecoin issuers in order to avoid asymmetries between domestic and foreign entities. The commenter noted that if a foreign issuer serves United States customers, then there should be a credible and accessible financial backstop supporting those United States obligations rather than an assumption that other protections will be available. The commenter suggested that the determination should be based on the foreign issuer's United States operations and United States customer exposure rather than on the foreign issuer's entire consolidated balance sheet. The commenter noted that this approach would be more consistent with the risks the OCC aims to address and would avoid transforming the United States registration framework into a duplicative capital regime for the issuer's global business. The commenter additionally suggested that home-jurisdiction resources, where those resources are enforceable and available for the protection of United States customers, should be recognized. The same commenter also suggested that the OCC should require that foreign payment stablecoin issuers maintain accessible United States-located operational backstop resources sufficient to support their United States-customer obligations. The commenter noted that this measure would be undertaken in order to create a credible United States safeguard rather than duplicative double-capitalization between the United States requirements and a comparable reciprocity regime.

The final rule, like the proposal, imposes no direct requirement on foreign payment stablecoin issuers related to capital. As discussed in greater detail below, the OCC anticipates that comparability determinations and reciprocal arrangements will be generally sufficient to ensure that the United States operations of foreign payment stablecoin issuers are appropriately capitalized. In addition, the OCC may, to the extent not sufficiently addressed by the home-jurisdiction or reciprocal arrangement, impose capital requirements as a condition of registration.

One commenter emphasized that it is appropriate to recognize the United States Federal framework already applicable to foreign banks' United States presence when operationalizing the permitted payment stablecoin framework. Although the International Banking Act applies to the United States operations of foreign banks, the GENIUS Act includes additional requirements related to foreign issuers of payment stablecoins in the United States.

One commenter asserted that the proposed rule imposes asymmetric regulatory burdens that disadvantage permitted payment stablecoin issuers while leaving foreign competitors largely unaffected. The commenter suggested that the OCC should compare the effective regulatory burden against the benefits actually received for foreign payment stablecoin issuers. The final rule is consistent with the provisions relating to foreign payment stablecoin issuers in the statute. The OCC notes that, under section 18, a foreign issuer is only exempt from the prohibitions of section 3 if, among other conditions, the Secretary of the Treasury determines that the foreign payment stablecoin issuer is subject to a regulatory and supervisory regime that is comparable to the requirements established under the GENIUS Act. Thus, these issuers will be subject to certain requirements outside of this final rule. In addition, foreign payment stablecoin issuers may be subject to additional requirements pursuant to reciprocal arrangements or individualized conditions imposed under the registration process.

5. Foreign Payment Stablecoin Issuers (§ 15.31)

Section 18(a) of the GENIUS Act (12 U.S.C. 5916(a)) exempts a foreign payment stablecoin issuer from the prohibitions of section 3 of the GENIUS Act (12 U.S.C. 5902) if it meets all of the following requirements: (1) the foreign payment stablecoin issuer is subject to regulation and supervision by a foreign payment stablecoin regulator that has a regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins, as determined by the Secretary of the Treasury under section 18(b) of the GENIUS Act; (2) the foreign payment stablecoin issuer is registered with the OCC pursuant to § 15.32; (3) the foreign payment stablecoin issuer holds reserves in a United States financial institution sufficient to meet liquidity demands of United States customers, unless otherwise permitted under a reciprocal arrangement created and implemented by the Secretary of the Treasury under section 18(d) of the GENIUS Act (12 U.S.C. 5916(d)); and (4) the foreign country in which the foreign payment stablecoin issuer is domiciled and regulated is not subject to comprehensive economic sanctions by the United States or in a jurisdiction that the Secretary of the Treasury has determined to be a jurisdiction of primary money laundering concern. The OCC proposed § 15.31(a) to implement this exemption.

Commenters requested additional clarity both as to what constitutes a United States customer and as to what would be sufficient to meet the liquidity demands of United States customers. In particular, commenters requested clarity on how to determine if liquidity was sufficient (*e.g.,* what measures should be used, what thresholds a foreign payment stablecoin issuer must meet). One commenter suggested that the OCC adopt a flexible, principles-based approach to estimating United States customer liquidity demands for foreign payment stablecoin issuers. One commenter suggested that the OCC should confirm how residency for purposes of ''United States customer'' will be determined in practice. In particular, the commenter suggested that United States customers should be limited to persons with direct contractual or onboarding relationships with the issuer. The commenter also requested that the OCC confirm that the residence information from KYC checks of direct customers would be sufficient to determine whether a customer is a resident of the United States. One commenter stated that foreign issuers

will not always be able to precisely determine whether every holder is a United States customer, and that the rule should not require a single rigid methodology or rely on proxies for the estimated number of United States holders. This commenter further stated that foreign issuers may be able to identify United States nexus through a combination of indicators such as onboarding information for direct customers, IP data, wallet analytics, transaction patterns, and other reasonably available information.

One commenter raised concerns regarding how a foreign issuer will be able to identify where its tokens circulate, where the payment stablecoin holders reside or are located, as well as the nationality of payment stablecoin holders. Some commenters advocated for a flexible, principles-based approach to requirements for foreign issuers. One commenter noted that employing a flexible approach would be particularly important until more data becomes available regarding the operations of foreign issuers. A number of commenters opposed requiring a fixed percentage of reserves to be held at United States financial institutions. Several commenters supported a principles-guided, outcomes-focused approach that imposes a risk-based standard that requires a defensible estimation methodology and periodic reassessment with no fixed percentage. These commenters argued that a fixed percentage could impose significant cost while bearing little relationship to the actual liquidity risk posed by a particular issuer. One commenter urged that the methodology adopted by the OCC to calculate default reserves should preserve flexibility for Treasury to negotiate reciprocal arrangements under section 18(d) of the Act (12 U.S.C. 5916(d)). One commenter suggested that a methodology should be calibrated to the issuer's actual or reasonably estimated United States customer exposures with a modest liquidity buffer in the range of 10 to 15 percent above estimated one-month United States customer redemptions. One commenter argued that a fixed percentage would impose a significant and potentially excessive burden on foreign issuers whose United States customer base represents a small or predictable fraction of their total issuance and would be disproportionate relative to the actual liquidity risk the requirement is designed to address. One commenter suggested that objective measures and thresholds should be included for when United States reserve assets are sufficient to meet demands of United States customers. The commenter noted the importance of ensuring standards are objective without prescribing a rigid formula. One commenter suggested that the OCC should not prescribe a single rigid methodology because foreign issuers will not always be able to determine whether a particular holder is a United States customer. One commenter suggested that the OCC should rely on home-jurisdiction frameworks rather than prescribing detailed United States-specific customer identification methodologies for foreign issuers, especially where those issuers are subject to ongoing supervision by a home regulator whose regime has been determined to be comparable under the Act. One commenter suggested that the OCC should confirm that foreign issuers distributing through regulated intermediaries may rely on those intermediaries' customer identification data for purposes of estimating their United States customer base, provided appropriate contractual arrangements are in place requiring the intermediary to share relevant customer data with the issuer for compliance purposes. One commenter discussed on-chain reserves, noting that they could better enable the issuer to meet redemption requirements and that flexible diversification that can be tailored and updated through guidance will provide the OCC maximum flexibility to respond to changing market conditions.

A couple of commenters also requested clarification of which ''United States financial institutions'' may hold reserves for foreign payment stablecoin issuers, urging the OCC to include United States branches and agencies of foreign banks and, more broadly, any institution located or organized in the United States that is authorized under Federal or State law to provide custodial or safekeeping services for payment stablecoin reserves. One commenter also noted that the proposed definitions appear to exclude foreign custodians from the custody provisions applicable to covered custodians and sub-custodians and asked the OCC to expressly confirm that understanding.

The OCC agrees with commenters that additional guidance is necessary to determine what is sufficient to meet the liquidity demands of United States customers. As discussed above, the final rule defines United States customer as a customer that, at the time of onboarding (1) is an individual and resides in the United States, (2) is incorporated or organized under the laws of the United States or any State, or (3) has its principal place of business in the United States. This revised definition ensures that the customer has a clear nexus to the United States and is administrable.

The final rule clarifies that a United States financial institution is an eligible financial institution that is incorporated or organized under the laws of the United States or of any State. The Act does not define financial institution, and it has been defined broadly in the context of other banking laws. The final rule uses ''eligible financial institution'' in this context. Eligible financial institutions generally are persons that are eligible to hold reserve assets in custody under section 10 of the GENIUS Act and otherwise comply with section 10 of the Act. As any entity holding reserve assets would be required to comply with section 10, the use of ''eligible financial institution'' broadly defines the scope of ''financial institutions'' under section 18(a)(3) of the Act, consistent with the Act's use of the term financial institution and with its structure.

To effect the Act's requirement that the financial institution must be a ''United States'' financial institution, final § 15.31(a)(3)(i) confirms that the eligible financial institution must be incorporated or organized under the laws of the United States or any State. As the statute makes clear, the financial institution itself—as opposed to a branch, agency, or other office—must be a United States entity.

The OCC also recognizes that there may be difficulties in determining what is sufficient to meet the liquidity demands of United States customers. Accordingly, the final rule includes four different options that clarify how foreign payment stablecoin issuers can demonstrate compliance with the requirement in section 18(a)(3) of the Act (12 U.S.C. 5916(a)(3)). Final § 15.31(a)(3)(i) provides that a foreign payment stablecoin issuer must hold reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State that are sufficient to meet the liquidity demands of United States customers, unless otherwise permitted under a reciprocal arrangement created and implemented by the Secretary of the Treasury under section 18(d) of the GENIUS Act (12 U.S.C. 5916(d)). This largely restates the statutory requirement in section 18(a)(3) of the GENIUS Act (12 U.S.C. 5916(a)(3)). Paragraph (a)(3)(ii) sets forth the relevant options to achieve compliance with the requirement in section 18(a)(3) of the GENIUS Act (12 U.S.C. 5916(a)(3)). Under paragraph (a)(3)(ii), reserves are sufficient to meet the liquidity demands of United States customers only if the foreign payment

stablecoin issuer complies with one of four alternatives. Under one alternative, the foreign payment stablecoin issuer would (1) attest that fewer than 50 percent of the foreign payment stablecoin issuer's outstanding issuance value is held by payment stablecoin holders located in the United States; and (2) hold reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State, the value of which equals or exceeds 50 percent of the foreign payment stablecoin issuer's outstanding issuance value. Under the second alternative, the foreign payment stablecoin issuer would (1) attest that it holds substantially all of its reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State and (2) hold substantially all of its reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State. These first two alternatives are intended to provide simple and clear paths for compliance. Depending on the business model of a foreign issuer, these two alternatives may or may not be viable. Accordingly, the OCC is including two additional means of establishing compliance that, while somewhat more complicated, could accommodate a wider variety of business models than the first two alternatives. Under the third alternative, the foreign payment stablecoin issuer would ensure, on an ongoing basis, that the value and composition of reserves held in eligible financial institutions incorporated or organized under the laws of the United States will be capable of supporting timely redemption requests from United States customers under both normal conditions and adverse economic, liquidity, market, and interest rate conditions, including, to the extent necessary, maintaining a buffer of reserves.[176] This alternative entails ongoing assessment of liquidity demands and recalibration of amounts held in United States financial institutions. Under the final alternative, the foreign payment stablecoin issuer would submit a detailed proposal to meet the requirements of paragraph (a)(3)(i) for the OCC's approval. The foreign payment stablecoin issuer would need to respond to all OCC requests for additional information regarding the proposal, receive the OCC's written approval of the proposal, and comply, on an ongoing basis, with the proposal approved by the OCC, including any conditions and limitations imposed on such approval by the OCC. This final option is intended to provide flexibility for foreign payment stablecoin issuers that can demonstrate alternative means of complying with paragraph (a)(3)(i) while ensuring that the OCC has the opportunity to opine on whether the method is reasonable.

Paragraph (a)(3)(iii) of § 15.31 imposes a limitation similar to that applicable to permitted payment stablecoin issuers under § 15.11 and provides that a foreign payment stablecoin issuer must only withdraw reserves in excess of the amount required under paragraph (a)(3)(i) after appropriate due diligence and confirmation that the withdrawal would not cause the reserves held in eligible financial institutions incorporated or organized under the laws of the United States or any State to fall below the amount required under paragraph (a)(3)(i), calculated as of the time and date of withdrawal.

Aside from the changes to paragraph (a)(3), the OCC is making one additional non-substantive change to paragraph (a). Section 15.31(a)(1) of the final rule has been reworded slightly to refer to the requirements of paragraph (a), rather than the broader language that was in the proposal. The OCC is otherwise finalizing § 15.31(a) as proposed.

One commenter suggested that the OCC should provide clarity on the criteria for determining whether a foreign issuer has met the requirements of the Act sufficient to exempt it from the prohibition, the timeline and process for OCC review of foreign registration applications, and the enforcement consequences for digital asset service providers that continue to offer noncompliant foreign stablecoins after the applicable deadline. The commenter noted that without additional clarity, the United States will compete on unequal terms with foreign issuers that face no equivalent obligations. The prohibitions in section 3 of the Act (12 U.S.C. 5902) are outside of the scope of this rulemaking. The Department of the Treasury has issued a notice of proposed rulemaking to address the requirements in section 3 of the Act.[177]

In accordance with section 18(c)(2) of the GENIUS Act (12 U.S.C. 5916(c)(2)), proposed paragraph (b) would have subjected foreign payment stablecoin issuers to ongoing monitoring by the OCC, including reporting, supervision, and examinations. Proposed paragraph (b)(1) provided that a foreign payment stablecoin issuer registered with the OCC pursuant to § 15.32 would need to fully accede to any request by the OCC regarding reporting, supervision, or examination of the foreign payment stablecoin issuer. Proposed paragraph (b)(2) provided that a foreign payment stablecoin issuer registered with the OCC under proposed § 15.32 would need to produce the reports required for permitted payment stablecoin issuers under proposed § 15.14 as well as any other reports the OCC may require. A foreign payment stablecoin issuer could request, in writing, an exemption from any reporting requirement that would otherwise apply under proposed § 15.14. The OCC could grant an exemption in its sole discretion. The OCC anticipated that it would require foreign payment stablecoin issuers to submit all reports required under proposed § 15.14, including the report relating to changes in control described in § 15.14(m), but noted that the OCC may tailor its requests for reports based, among other things, on the volume of the foreign payment stablecoin issuer's payment stablecoins circulating in the United States. Proposed paragraph (b)(3)(i) would subject a foreign payment stablecoin issuer registered with the OCC under proposed § 15.32 to a full-scope examination at the same frequency as the OCC would examine a permitted payment stablecoin issuer under proposed § 15.14 unless the OCC determined, in its sole discretion, to examine at a different frequency. Proposed paragraph (b)(3)(ii) stated that the OCC may conduct these examinations on-site or remotely.

Several commenters discussed proposed § 15.14 and the reports that foreign payment stablecoin issuers would be required to produce for the OCC. Some commenters suggested that foreign payment stablecoin issuers should not be subject to the full reporting framework for permitted payment stablecoin issuers in proposed subpart B given foreign payment stablecoin issuers' home-jurisdiction supervision and reporting requirements. Commenters suggested that such requirements would be duplicative and generate compliance costs without proportionate benefit.

Some commenters suggested foreign payment stablecoin issuers should be subject to reporting requirements that are substantively equivalent to, and achieve comparable supervisory outcomes as, requirements on permitted payment stablecoin issuers rather than identical filing or reporting obligations. Specifically, one commenter stated that where a foreign issuer already publishes reserve composition reports and makes

[176] This is similar to the requirement in § 15.13(a)(9)(i) that requires permitted payment stablecoin issuers to ensure that the reserve asset portfolio, taken as a whole, is capable of supporting timely redemption under both normal and stressed conditions.

[177] 91 FR 53368.

certifications under its home-jurisdiction framework, the OCC should work with the home-jurisdiction supervisors to determine whether the reports will satisfy the OCC's expectations for the monthly and quarterly reporting requirements, supplemented by U.S.-specific disclosures, provided that the OCC does not require duplicative re-reporting of substantially the same information in different formats where comparable disclosures have already been made under a comparable home-jurisdiction framework. One commenter stated that the OCC must ensure that the home-country regulatory regime of a foreign issuer meets or exceeds the standards at both the Federal and State levels. Another commenter stated that the OCC's requirements for foreign issuers should be no less stringent than those for United States issuers. A commenter suggested that the OCC should develop bilateral supervisory cooperation arrangements with comparable home regulators to facilitate information sharing and reduce duplicative reporting. One commenter suggested that there should be three reporting elements for registered foreign payment stablecoin issuers: (1) monthly reserve composition reporting for reserves held in United States financial institutions using Table 1 in proposed § 15.32(e)(3); (2) quarterly United States activity summaries covering transaction volumes, customer counts, material operational developments, and any changes to the issuer's U.S.-facing operations that would bear on section 18 compliance; and (3) annual audited financial statements prepared in accordance with the issuer's home-jurisdiction financial reporting framework, accompanied by the home state regulator's most recent supervisory assessment on the issuer's prudential condition. One commenter suggested that weekly confidential reporting is not appropriate for foreign issuers because foreign issuers are subject to primary supervision from their home-state regulator and this would be duplicative without corresponding benefit. One commenter provided revised rule text for proposed § 15.31(b)(2)(i) reflecting the commenter's suggestions.

One commenter suggested that any reporting disparity between domestic permitted payment stablecoin issuers and foreign payment stablecoin issuers would create a two-tier market in which consumers, counterparties, and market participants may reasonably assume equivalent protections while in fact receiving less transparency from foreign payment stablecoin issuers. A commenter suggested that the same core reports, disclosures, and certifications should be required of foreign payment stablecoin issuers and permitted payment stablecoin issuers with targeted add-on elements related to U.S.-customer attribution, sufficiency of U.S.-located reserves, cross-border redemption readiness, intercompany or affiliate dependencies, and relevant home regulator actions. One commenter suggested that if the OCC were to allow foreign payment stablecoin issuers to substitute home-jurisdiction reports under a reciprocity arrangement, that substitution should be available only where the foreign reporting is demonstrably equivalent in scope, timeliness, and assurance.

One commenter suggested that the OCC should tailor its supervisory, examination, and reporting requirements regarding non-U.S. activity of foreign payment stablecoin issuers to what is reasonably necessary to monitor the foreign payment stablecoin issuer's United States payment stablecoin activity and its compliance with the Act, including United States reserve sufficiency, and any United States financial stability or illicit finance risks.

One commenter discussed what foreign payment stablecoin issuers ought to be required to disclose. The commenter suggested that foreign payment stablecoin issuers should be required to disclose that their stablecoin issuance activity originates from, and is regulated by, a foreign jurisdiction as well as the specific bases on which it satisfies the Act's requirements. The commenter noted that these disclosures would help market participants distinguish between stablecoins issued under the GENIUS Act and those issued under foreign regimes. The commenter supported permitting foreign payment stablecoin issuers to use a single unified brand across jurisdictions only where the Secretary of the Treasury has entered into a reciprocal arrangement with the relevant foreign jurisdiction. The OCC may impose conditions relating to additional disclosures, as appropriate, based on the risks presented by and the scale of the foreign payment stablecoin issuer's United States operations.

After consideration of the comments, the OCC is adopting § 15.31(b) as proposed with one technical change to paragraph (b)(1). Instead of stating that the foreign payment stablecoin issuer must fully accede to any request by the OCC regarding reporting, supervision, or examination of the foreign payment stablecoin issuer, the final rule states that a foreign payment stablecoin issuer registered with the OCC pursuant to § 15.32 is subject to reporting, supervision, and examination requirements as determined by the OCC. This phrasing better aligns with the language in section 18(c)(2)(A) of the GENIUS Act (12 U.S.C. 5916(c)(2)(A)). Any reciprocal arrangement between a home jurisdiction of a foreign payment stablecoin issuer and the Secretary of the Treasury may address reporting obligations. To the extent there is not an applicable reciprocal arrangement that modifies otherwise applicable reporting obligations to the OCC, the OCC will impose the same reporting obligations on foreign issuers as it does on domestic issuers. Although foreign payment stablecoin issuers will be subject to reporting requirements in their home jurisdiction as well as the United States, it is beyond the scope of this rulemaking to compare all such reporting obligations to the information requirements needed by the OCC to supervise foreign issuers. Moreover, the same reporting obligations across the OCC's supervised entities as a baseline ensures that the OCC will receive the information it needs to monitor its supervised entities and allows for comparability across them. The OCC will conduct full-scope examinations of foreign payment stablecoin issuers registered with the OCC. The OCC will generally focus on the United States activity of foreign issuers in those examinations and only on any foreign activity to the extent that it is relevant to their United States operations and activities.

Section 4(a)(11) of the GENIUS Act (12 U.S.C. 5903(a)(11)) prohibits foreign payment stablecoin issuers from paying the holder of a payment stablecoin any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of the payment stablecoin. Proposed § 15.31(c) was intended to implement the prohibition in accordance with the prohibition applicable to permitted payment stablecoin issuers under proposed § 15.10(c)(4). The comments related to this provision largely mirrored the comments provided on proposed § 15.10(c)(4). The OCC has modified paragraph (c) to align with the prohibition applicable to permitted payment stablecoin issuers under final § 15.10.

Proposed § 15.31(d) provided that the OCC would make available on *www.occ.gov* a list of foreign payment stablecoin issuers whose registrations the OCC has approved. The OCC is finalizing paragraph (d) as proposed.

6. Registration of Foreign Payment Stablecoin Issuers (§ 15.32)

Section 18(c) of the GENIUS Act (12 U.S.C. 5916(c)) provides procedures for foreign payment stablecoin issuers that seek to become registered to submit an application to the OCC. The OCC proposed § 15.32 to include specific procedures for registration applications. Proposed paragraph (a) would have provided that a foreign payment stablecoin issuer that seeks to be registered with the OCC under section 18(c) of the GENIUS Act (12 U.S.C. 5916(c)) must submit an application under proposed § 15.32. The OCC is adopting § 15.32(a) as proposed.

Proposed paragraph (b) set forth the application process. Proposed paragraph (b)(1)(i) would have required that the applicant submit all the information required by a form for an application that would be available at *www.occ.gov.* Paragraph (b)(1)(ii) would have required the applicant to provide evidence that the Secretary of the Treasury has determined that the applicant is subject to a regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins, under section 18 of the GENIUS Act (12 U.S.C. 5916). Proposed paragraphs (b)(1)(iii) and (iv) would have required the applicant to certify that it will provide to the OCC all the information the OCC deems necessary to determine and enforce compliance with the GENIUS Act and to consent to United States jurisdiction relating to enforcement of the GENIUS Act and its implementing regulations, respectively. In addition, proposed paragraph (b)(1)(v) would have required the applicant to certify that neither the filing nor any supporting material submitted to the OCC contains material misrepresentations or omissions.

One commenter was generally supportive of the registration provision in § 15.32. One commenter suggested that the OCC should publish a clear checklist specifying the documentation necessary for a foreign registration application to be deemed complete. Pursuant to the Paperwork Reduction Act of 1995, the OCC is soliciting comment on information that will be collected in the forms required under subpart D.[178]

One commenter suggested that the OCC should provide criteria for the discretionary exemption pathway for foreign issuers or that the tiered framework should be the default position for registered foreign issuers. Section 18 does not provide a waiver for registration, and the OCC did not include a waiver provision in proposed § 15.32. If foreign issuers wish to issue in the United States, they must register under proposed § 15.32 and are not eligible for waivers pursuant to section 5(f) of the GENIUS Act (12 U.S.C. 5904(f)) as those provisions do not apply to foreign payment stablecoin issuers.

One commenter suggested that the application and approval process should be streamlined for foreign issuers from comparable jurisdictions. Specifically, the commenter suggested that there should be a registration pathway that reflects the existence of robust home-jurisdiction oversight where reciprocal arrangements exist, rather than replicating the full domestic application process. The commenter specifically noted that maintaining clear legal responsibility for redemption and reserve backing at the consolidated group level ought to be a focus in this process. Under section 18(a)(1) of the GENIUS Act (12 U.S.C. 5916(a)(1)), only foreign issuers that are subject to regulation and supervision by a foreign payment stablecoin regulator that the Secretary of the Treasury determines is comparable to the regulatory and supervisory regime established under the GENIUS Act may register with the OCC. Accordingly, there is no need to provide a process to differentiate entities from comparable jurisdictions from those that are not from comparable jurisdictions.

One commenter suggested that the OCC should consider requiring foreign payment stablecoin issuers accessing United States banking infrastructure through OCC-supervised institutions to provide AML certifications equivalent to those of domestic permitted payment stablecoin issuers. The commenter pointed to scenarios where a transaction originates in a United States-regulated card network but settles into a stablecoin system governed under a foreign jurisdiction, and differences in monitoring standards and reporting obligations may create gaps across the full transaction chain. The commenter stated that a foreign-issued stablecoin card program accessing United States card rails but holding reserves under a less supervised foreign regime faces equivalent or greater exposure with no equivalent United States supervisory backstop.

The OCC is adopting proposed § 15.32(b)(1) with changes. Section 15.32(b)(1)(iii) has been updated to include a reference to compliance with part 15. The OCC is also moving language concerning the OCC's review and verification of information from § 15.32(b)(1)(v) to paragraph (b)(3). The final rule includes new paragraph (b)(1)(vi), which would require a foreign payment stablecoin issuer to certify whether section 4(a)(12) of the GENIUS Act (12 U.S.C. 5903(a)(12)), which applies certain additional requirements to non-financial services public companies, applies to the applicant. Including this information at the application stage will make clear which requirements of the Act apply to a particular entity and make the application process and ongoing supervision more efficient. If the applicant is subject to section 4(a)(12) (12 U.S.C. 5903(a)(12)), the OCC may impose certain requirements to ensure compliance with that section. This addition mirrors a change that the OCC made with respect to permitted payment stablecoin issuer applicants under § 15.30. In response to the commenter requesting that the OCC impose certification requirements on foreign payment stablecoin issuers that are similar to those applicable to permitted payment stablecoin issuers, the OCC notes that generally a foreign payment stablecoin issuer must comply with the reporting obligations in § 15.14.

Proposed paragraph (b)(2) would have required that an application be submitted to the appropriate licensing office, unless the OCC advises a filer otherwise. The information certification and location of filing provisions in proposed paragraphs (b)(1)(iii) and (b)(2) are substantially the same as those in the OCC's general application filing provisions in 12 CFR 5.4. Consistent with the OCC's general licensing regulations in 12 CFR 5.7(a), proposed § 15.32(b)(3) provided that the OCC may examine or investigate and evaluate facts relating to an application under this section to the extent necessary to reach an informed decision.

Section 18(c)(1)(B) of the GENIUS Act (12 U.S.C. 5916(c)(1)(B)) provides that registration is deemed approved within 30 days of receipt of an application for registration, unless the OCC notifies the applicant in writing that the registration has been rejected. Proposed § 15.32(b)(4) would have implemented this approval provision and stated that an application for registration made by a foreign payment stablecoin issuer that satisfies the requirements in § 15.32(b)(1) is deemed approved by the OCC as of the 30th day after the OCC received the filing, unless the OCC notifies the filer in writing that the application for registration has been rejected.

[178] *Agency Information Collection Activities: Proposed Information Collection; Comment Request; Applications for Licensing or Registration To Issue Payment Stablecoins Under the GENIUS Act,* 91 FR 47032 (July 27, 2026).

A few commenters discussed requiring legal entity identifiers. The commenters suggested that submission of a standardized, globally interoperable legal entity identifier should be included. One commenter argued that without requiring a legal entity identifier, verifying the identity of a foreign registrant and accessing its information will depend on manual reconciliation of entity data across jurisdictions, which may be less reliable than including a common identifier. Another commenter noted that legal entity identifier requirements are included in the regulations of other foreign jurisdictions. The OCC has published reporting forms that would require an entity with a legal entity identifier to include it on submissions.[179] The OCC may assess the corporate structure of an applicant for registration as part of the registration process and may impose a condition that the issuer acquire a legal entity identifier as appropriate.

A few commenters advocated for incorporating a substantially complete standard for foreign issuers to allow for consistent treatment across application types and to reduce ambiguity. Another commenter recommended that the final rule incorporate a substantially complete pre-screening step and a checklist outlining the necessary documentation into the foreign registration process. On the other hand, a few commenters stated that the OCC should not incorporate a substantially complete concept because section 18 of the Act only includes a substantially complete standard when discussing comparability determinations under section 18(b)(1). Under section 5 of the Act (12 U.S.C. 5904), the OCC evaluates substantially complete applications for permitted payment stablecoin issuers, but section 18 of the GENIUS Act (12 U.S.C. 5916) does not incorporate a similar concept. Some commenters suggested that incorporating a substantial completeness standard would reduce uncertainty and promote consistency. One commenter stated that the OCC should not include a ''substantially complete'' concept because the Act specifically includes the substantially complete test as part of the comparability determination by Treasury, when the foreign issuer must demonstrate that it has furnished enough information. The commenter stated that the OCC has a reduced role compared to the Secretary of the Treasury and only registers an issuer once its home-country requirements have been found to be comparable. The commenter suggested that the OCC should defer to the Secretary of the Treasury and make determinations within 30 days of receiving a registration request once a comparability determination has been made. One commenter suggested that foreign issuer applications should be held to a ''complete'' rather than ''substantially complete'' standard before being accepted for review to ensure that the OCC has all necessary information before allocating review resources and to avoid disadvantaging domestic applicants processed alongside incomplete foreign submissions.

The final rule does not adjust the proposed framework because the GENIUS Act includes no ''substantially complete'' requirement for foreign payment stablecoin issuers. To the extent that the OCC does not have sufficient information to determine compliance with the Act or to evaluate statutory factors, the OCC will request additional information. The GENIUS Act does not include a substantially complete concept for registration applications submitted to the OCC for foreign payment stablecoin issuers.[180] Section 18 of the GENIUS Act does incorporate a substantially complete concept for comparability requests made to the Secretary of the Treasury by foreign payment stablecoin issuers. The OCC published the information that will be collected related to foreign payment stablecoin issuer registrations and will evaluate any comments received related to that information collection.[181] The OCC historically has not published checklists for applications, but it does provide significant guidance about the filing process in the *Comptroller's Licensing Manual.* The OCC anticipates issuing similar guidance with respect to filings for OCC-supervised permitted payment stablecoin issuers and foreign payment stablecoin issuers. The OCC received no other comments related to paragraphs (b)(2) through (b)(4).

The OCC is adopting paragraphs (b)(2) through (b)(4) with minor changes. As discussed above, the OCC has moved language concerning the OCC's review and verification of information to § 15.32(b)(3)(i) and renumbered proposed § 15.32(b)(3) as § 15.32(b)(3)(ii).

Section 18(c)(1)(C) of the GENIUS Act (12 U.S.C. 5916(c)(1)(C)) prescribes certain factors for evaluating an application for registration: the Secretary of the Treasury's determination that the foreign payment stablecoin issuer is subject to a regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins under section 18 of the GENIUS Act (12 U.S.C. 5916); the financial and managerial resources of the United States operations of the foreign payment stablecoin issuer; whether the foreign payment stablecoin issuer will provide adequate information to the OCC to determine compliance with the GENIUS Act; whether the foreign payment stablecoin issuer presents a risk to the financial stability of the United States; and whether the foreign payment stablecoin issuer presents illicit finance risks to the United States. Proposed § 15.32(c) contained these five factors and added a reference to determining compliance with proposed part 15 in addition to the GENIUS Act in proposed paragraph (c)(3). Proposed paragraph (c)(4) stated that risks to the financial stability of the United States include risks relating to ensuring timely redemption for United States customers. The OCC proposed adding this explicit reference in light of potential difficulties that may arise in the course of moving reserve assets in cross-border transactions.

For consistency with new § 15.30(c), which added a provision articulating the OCC's authority to impose conditions through a conditional approval of a permitted payment stablecoin issuer's application, the OCC is adding new § 15.32(c) to articulate the OCC's authority to impose conditions through a conditional approval of a foreign payment stablecoin issuer's registration. This addition will provide transparency and clarity to prospective foreign payment stablecoin issuers. New § 15.32(c) states that the OCC may approve, conditionally approve, or reject an application under § 15.32 based on a review of the factors specified in paragraph (d), which contains the material in § 15.32(c) of the proposed rule. The OCC is also renumbering § 15.32 in light of this new paragraph.

[179] The proposed forms would not, however, require an entity to acquire a legal entity identifier. *See* 91 FR 35795.

[180] *Cf.* section 5(a) and (b) of the GENIUS Act (12 U.S.C. 5904(a) and (b)) with section 18(c) of the GENIUS Act (12 U.S.C. 5916(c)) (section 5 of the GENIUS Act explicitly provides for the OCC evaluating a substantially complete application and notifying an applicant if an application is not substantially complete for permitted payment stablecoin issuers while section 18 of the GENIUS Act does not include a substantially complete concept for registrations of foreign payment stablecoin issuers with the OCC.)

[181] *Agency Information Collection Activities: Proposed Information Collection; Comment Request; Applications for Licensing or Registration To Issue Payment Stablecoins Under the GENIUS Act,* 91 FR 47032 (July 27, 2026).

Any conditions imposed will be designed to address the statutory review factors in section 18(c) of the Act (12 U.S.C. 5916(c)) and the implementing regulation at § 15.32(d). The OCC is adopting proposed paragraph (c) (renumbered as paragraph (d)) with one addition. Specifically, new paragraph (d)(6) would make clear that the OCC may consider the ability of the applicant to conduct its proposed activities in a safe and sound manner, including whether the applicant's proposed structure adequately addresses run risks and adequately ensures the ability to redeem payment stablecoins. This new provision mirrors the new safety and soundness factor for permitted payment stablecoin issuers in § 15.30 and will help ensure parity between permitted payment stablecoin issuers and foreign payment stablecoin issuers. The OCC notes that the standards for approving or rejecting an application for registration under section 18(c)(1)(C) of the GENIUS Act (12 U.S.C. 5916(c)(1)(C)) are not exhaustive.

Given the unique and novel character of foreign payment stablecoin issuers, the OCC proposed certain conditions applicable to all foreign payment stablecoin issuers for which the OCC has approved a registration. Section 18(c)(1)(C)(iii) of the GENIUS Act (12 U.S.C. 5916(c)(1)(C)(iii)) requires the OCC to consider whether a foreign payment stablecoin issuer will provide adequate information to the OCC as the OCC determines is necessary to determine compliance with the GENIUS Act. Proposed § 15.32(d)(1) would have required that, upon request by the OCC, a foreign payment stablecoin issuer must grant the OCC prompt and complete access to all officers, directors, employees, and agents and to all relevant books, records, or documents of any type, in a form and location accessible to the OCC in the United States. This paralleled the provisions regarding access to books and records in proposed § 15.14(b). Proposed paragraph (d)(2) would have further required that the information be provided in English.

Proposed paragraph (d)(3) would have required information sufficient to determine that a foreign payment stablecoin issuer meets the reserve requirements of section 18(a)(3) of the GENIUS Act (12 U.S.C. 5916(a)(3)). Specifically, foreign payment stablecoin issuers would have been required to provide evidence that they hold sufficient reserves in the United States to meet liquidity demands of United States customers on an ongoing basis unless otherwise permitted under a reciprocal arrangement implemented by the Secretary of the Treasury under section 18(d) of the GENIUS Act (12 U.S.C. 5916(d)). Consistent with the statute, proposed paragraph (d)(3)(i) would have required the foreign payment stablecoin issuer to hold these reserves in United States financial institutions. Proposed paragraph (d)(3)(ii) would have required the foreign payment stablecoin issuer to provide to the OCC, on a monthly basis, a report describing the total number of outstanding payment stablecoins issued by the foreign payment stablecoin issuer held by United States customers and the amount and composition of the foreign payment stablecoin issuer's reserves, including their geographic location and average tenor of reserve instruments. The proposed rule provided a template to facilitate reporting this information. Proposed paragraph (d)(3)(iii) would have required a foreign payment stablecoin issuer to promptly notify the OCC through its supervisory office on any day in which the issuer fails to meet the reserve asset requirements of paragraph (d)(3). Proposed paragraph (d)(3)(iv) would have required a foreign payment stablecoin issuer to promptly and fully address any deficiency in its compliance with proposed paragraph (d)(3) that is explained in writing to the foreign payment stablecoin issuer by the OCC, including by depositing additional liquidity in United States financial institutions to the extent doing so would address the deficiency identified. These requirements were intended to help ensure that the registered foreign payment stablecoin issuer complies with the requirements of section 18(a)(3) of the GENIUS Act (12 U.S.C. 5916(a)(3)).

Section 18(c)(2)(B) of the GENIUS Act (12 U.S.C. 5916(c)(2)(B)) requires a foreign payment stablecoin issuer to consent to United States jurisdiction relating to enforcement of the GENIUS Act. Proposed paragraph (d)(4) would have implemented this provision by requiring foreign payment stablecoin issuers to consent to the jurisdiction of the Federal courts of the United States and of all United States Government agencies, departments, and divisions for purposes of any and all claims made by, proceedings initiated by, or obligations to, the United States, the OCC, and any other United States Government agency, department, or division, in any matter arising under the GENIUS Act and other applicable Federal laws. The additional enumerated authorities to which consent must be given in proposed paragraph (d)(4) accorded with the OCC's standard conditions on approvals for establishment of Federal branches under the International Banking Act of 1978 and ensure that the OCC and other agencies have the ability to bring actions against foreign issuers. Lastly, under proposed paragraph (d)(5), foreign payment stablecoin issuers would have been required to comply with all understandings, commitments, or conditions contained in any determination by the Secretary of the Treasury or any arrangements entered into by the United States and the foreign jurisdiction under section 18 of the GENIUS Act (12 U.S.C. 5916).

A couple of commenters suggested frameworks or approaches to how foreign payment stablecoin issuers make their records available to the OCC pursuant to § 15.32(d)(1) as proposed. While § 15.14, as described above, pertains to reports and supervision including OCC access to books and records, § 15.14 applies to permitted payment stablecoin issuers, and foreign payment stablecoin issuers are not permitted payment stablecoin issuers (12 U.S.C. 5901(12)). However, the final rule's approach to accessing stablecoin issuer records is intended to be consistent between the permitted payment stablecoin issuer context in § 15.14 and the foreign payment stablecoin issuer context here in proposed § 15.32(d)(1) (final § 15.32(e)(1)). One commenter suggested that the level of access granted by proposed § 15.32(d)(1) could extend the OCC's supervisory authority beyond what is necessary to satisfy the OCC's statutory mandate. This commenter further argued that the agency should replace the proposed standardized monthly report for foreign payment stablecoin issuers with a flexible approach to documenting liquidity demands. Another commenter suggested integrating the conditions proposed at § 15.32(d) into a requirement that permitted payment stablecoin issuers and foreign payment stablecoin issuers write playbooks. These playbooks would include, among other things, records sufficient to document various requirements. Because of the agency's interest in parity between payment stablecoin issuers where practicable at this time, and because of the payment stablecoin industry's nascent nature, the agency is finalizing § 15.32(e)(1) and (2) as proposed at § 15.32(d)(1) and (2). The final rule also includes the monthly report as proposed in § 15.32(e)(3) (proposed § 15.32(d)(3)), with technical changes consistent with the changes to the report in § 15.11. This rule, as finalized, will give the OCC the necessary flexibility to access the information it will need to meet its

obligations under the GENIUS Act and adapt to the expected changes in the industry.

One commenter requested that the OCC require that foreign issuers submit to State jurisdiction for applicable State consumer protection laws. The commenter suggested that the OCC amend proposed § 15.32(d)(4), which requires a foreign issuer to consent to United States jurisdiction relating to the enforcement of the Act and its implementing regulations, but only requires consent to Federal jurisdiction. In particular, the commenter requested that the section be amended to include consent to the jurisdiction of State agencies for purposes of enforcing State consumer protection laws, where appropriate. The commenter noted that this requirement could improve efficiency by reducing the need for States to litigate jurisdictional questions when enforcing clearly applicable laws. The GENIUS Act does not reference foreign issuers consenting to State jurisdiction. The OCC will not require foreign payment stablecoin issuers to consent to State jurisdiction because including such a requirement would go beyond the scope of this rulemaking.

A few commenters discussed civil recovery. One commenter suggested that the OCC should make it explicit that registration as a foreign issuer constitutes consent to United States judicial process for civil recovery orders directed at assets serving United States customers. This is outside the scope of this rulemaking, but the OCC will consider whether such consent may be appropriate to address in the future.

After consideration of the comments, the OCC is adopting proposed paragraph (d) (renumbered as paragraph (e)) with certain changes. Under § 15.32(e)(3)(i) of the final rule, a foreign payment stablecoin issuer must provide evidence that it complies with § 15.31(a), including by providing to the OCC, by noon on the last day of each month, a report describing the total number of outstanding payment stablecoins issued by the foreign payment stablecoin issuer held by United States customers and the amount and composition of the foreign payment stablecoin issuer's reserves, including their geographic location and average tenor of reserve instruments. The OCC believes that this simplified language reduces duplication. Section 15.32(e)(3)(ii) specifies that the report required under § 15.32 must use a format substantially similar to the template in Table 1 to the paragraph. The final rule also includes minor technical corrections (adding ''issuer'' in final § 15.32(e)(3)(iii)) and updates to the template for the monthly report for foreign issuers that align with changes to the template for permitted payment stablecoin issuers. These updates provide additional clarity for entities that employ multiple SPV issuers. Section 15.32(e)(3)(iv) incorporates non-substantive and conforming edits including edits to specify that, to meet the requirements under § 15.32(e)(3), reserves must be held in eligible financial institutions incorporated or organized under the laws of the United States or of any State.

In accordance with section 18(c)(1)(A)(i) of the GENIUS Act (12 U.S.C. 5916(c)(1)(A)(i)), proposed paragraph (e) provided that the OCC may reject a foreign payment stablecoin issuer's application for registration by providing written notice of the rejection if the OCC makes a negative finding with respect to any of the factors described in proposed § 15.32(c). Proposed paragraph (e) would have also permitted the OCC to reject an application if the OCC determines that the foreign payment stablecoin issuer would be unable to comply with the conditions in proposed paragraph (d), compliance with which would be required for all foreign payment stablecoin issuers registered under proposed § 15.32.

Section 18(c)(1)(D) of the GENIUS Act (12 U.S.C. 5916(c)(1)(D)) provides the opportunity for a foreign payment stablecoin issuer whose application was rejected to seek review by appealing the OCC's decision within 30 days of receipt of the OCC's written decision. Proposed § 15.32(f) set forth this appeals process. Proposed paragraph (f) was substantially the same as that proposed for appeals of denials under proposed § 15.30(e). Proposed paragraph (f) provided that a foreign payment stablecoin issuer may request a written or oral hearing to appeal the OCC's rejection of an application for registration within 30 days of receipt of the OCC's notice of rejection. The request for a written or oral hearing would have needed to be in writing. If the foreign payment stablecoin issuer does not make a timely appeal for a hearing under proposed § 15.32, the OCC would have notified the applicant, in writing and within 10 days of the date the applicant would have been able to request a hearing, that the denial of the application is the final determination of the OCC. Within 30 days of receiving a timely appeal request, the OCC would have notified the applicant of a time and place at which the applicant may appear, personally or through counsel, to submit written materials, provide oral testimony and oral argument, or both. If the applicant is filing a written appeal, it must submit in writing all documents and arguments that the applicant wishes to be considered. The Comptroller or authorized delegate would have considered all information submitted with the original application for registration, the material before the OCC official who made the initial decision, and any information submitted by the appellant at the time of appeal. The Comptroller or authorized delegate would have considered all submitted documentation de novo. The Comptroller or authorized delegate would have been able to uphold or reverse the initial decision to reject the registration. Within 60 days of the hearing, the Comptroller or authorized delegate would have notified the foreign payment stablecoin issuer in writing of a final determination. The final determination would have explained the findings on which the determination was based. If the initial decision were upheld, the decision to deny the application would have been effective as of the date of the original denial. The denial of an application would not have prohibited the applicant from filing a subsequent application. One commenter supported the appeals process in proposed § 15.32(f).

Finally, proposed paragraph (g) would have provided for nullification of an approval of a registration substantially the same as the procedure in proposed § 15.30(g). Thus, under proposed § 15.32(g)(1), the OCC could nullify the approval of a registration under this section if: the OCC discovers a material misrepresentation or omission in any information provided to the OCC in the application or supporting materials; the decision is contrary to law or regulation thereunder; or the decision was granted due to clerical or administrative error, or a material mistake of law or fact. Proposed paragraph (g)(2) set forth the relevant procedures and provided that, when the OCC intends to nullify the approval of a registration, the OCC, in its sole discretion, would have: provided the applicant with notice of the intended nullification decision and granted the applicant an opportunity to present a written submission opposing the intended nullification; or taken any other action designed to provide the applicant with notice and an opportunity to present its views concerning the intended nullification.

One comment explicitly supported proposed § 15.32(e) and (f). The OCC did not receive any other comments on proposed paragraphs (e) through (g). The OCC is adopting proposed paragraphs (e) and (g) but renumbered as paragraphs (f) and (h). The final rule

also updates the internal cross-references within those paragraphs. In addition, the OCC is adopting proposed paragraph (f) renumbered as paragraph (g) with minor changes similar to those in § 15.30(f)(1). Accordingly, final § 15.32 makes clear that a foreign payment stablecoin issuer may request that an appeal hearing be on the written record, oral testimony and oral argument, or both. The final rule also clarifies that the OCC will notify the applicant within 10 days of the last date that the applicant would have been able to request a hearing. The final rule also clarifies that the OCC will determine the procedures for an appeal, including, but not limited to, the duration of the hearing; the order and timing of presentations, if applicable; and the deadlines and requirements for submission of written material. The final rule also separates and renumbers several paragraphs from proposed paragraphs (e) and (f). The final rule also replaces the word ''denial'' with ''rejection'' in § 15.32(g) to more closely match the language of section 18(c) of the Act (12 U.S.C. 5916(c)).

7. Revocation or Rescission of Approval (§ 15.33)

a. Description of the Proposed Rule

Section 5(i)(3)(A) of the GENIUS Act (12 U.S.C. 5904(i)(3)(A)) permits the OCC to revoke the approval of a permitted payment stablecoin issuer that does not submit the certification regarding implementation of anti-money laundering and economic sanctions compliance programs required by section 5(i)(1) of the GENIUS Act (12 U.S.C. 5904(i)(1)). Proposed § 15.14(k) set forth those requirements. Similarly, section 18(c)(3)(A) of the GENIUS Act (12 U.S.C. 5916(c)(3)(A)) permits the OCC, in consultation with the Secretary of the Treasury, to rescind approval of a registration of a foreign payment stablecoin issuer if the OCC determines that the foreign payment stablecoin issuer is not in compliance with the requirements of the GENIUS Act, including for maintaining insufficient reserves or posing an illicit finance risk or financial stability risk.

Proposed § 15.33(a) would have implemented revocation of approval of a permitted payment stablecoin issuer's application. Proposed paragraph (a)(1) stated that the OCC may revoke approval of a permitted payment stablecoin issuer's application under proposed § 15.30 if the permitted payment stablecoin issuer does not submit the certification required by proposed § 15.14(k). Proposed paragraph (a)(2)(i) stated that the OCC may issue an order to revoke the application approval after providing notice to the permitted payment stablecoin issuer and after providing an opportunity for a hearing. Proposed paragraph (a)(2)(ii) provided that the OCC would conduct a hearing pursuant to the OCC's Rules of Practice and Procedure in 12 CFR part 19. Proposed paragraph (a)(2)(iii) provided for expedited OCC action without an opportunity for a hearing if the OCC determines that expeditious action is necessary in order to protect the public interest. In this situation, the OCC could, in its sole discretion, provide the permitted payment stablecoin issuer with notice of the intended revocation, grant the permitted payment stablecoin issuer an opportunity to oppose the revocation in writing, or take any other action designed to provide the permitted payment stablecoin issuer with notice and an opportunity to present its views concerning the revocation of application approval. Proposed paragraph (a)(3) stated that a decision to revoke an application approval would be effective upon provision of notice to the permitted payment stablecoin issuer, unless otherwise specified by the OCC.

Proposed paragraph (b) provided procedures for rescission of approval of a registration of a foreign payment stablecoin issuer. Proposed paragraph (b) was substantially the same as proposed § 15.33(a), except that proposed paragraph (b)(1) referred to the OCC's consultation with the Secretary of the Treasury, consistent with section 18(c)(3)(A) of the GENIUS Act (12 U.S.C. 5916(c)(3)(A)). Proposed paragraph (b)(3) provided that a decision to rescind approval of a registration is effective upon publication in the **Federal Register**, as required by section 18(c)(3)(A) of the GENIUS Act (12 U.S.C. 5916(c)(3)(A)), unless otherwise specified by the OCC. The OCC could, for example, specify a later effective date than the date of publication in the **Federal Register**. Under proposed § 15.33(b), except as otherwise provided, the OCC could have issued an order to rescind the foreign payment stablecoin issuer's registration approval under proposed § 15.32 after providing notice to the foreign payment stablecoin issuer and providing an opportunity for a hearing. Proposed paragraph (b)(2)(ii) provided that the OCC would conduct a hearing under this section pursuant to the OCC's Rules of Practice and Procedure in 12 CFR part 19. Proposed paragraph (b)(2)(iii) provided that the OCC could act without providing an opportunity for a hearing if it determines that expeditious action is necessary in order to protect the public interest. Under the proposed rule, if the OCC found it necessary to act without providing an opportunity for a hearing, the OCC, in its sole discretion, could have: provided the foreign payment stablecoin issuer with notice of the intended rescission of approval registration; granted the foreign payment stablecoin issuer an opportunity to present a written submission opposing rescission of approval registration; or taken any other action designed to provide the foreign payment stablecoin issuer with notice and an opportunity to present its views concerning the rescission of approval registration.

The revocation and rescission procedures in proposed § 15.33 largely parallel those for termination of a Federal branch or agency in 12 CFR 28.24(b). Similar to termination of a Federal branch or agency, revocation of a permitted payment stablecoin issuer's application approval or a foreign payment stablecoin issuer's registration removes the entity's authorization to conduct certain business activities in the United States.

b. Description of Comments and Final Rule

The OCC received one comment on proposed § 15.33 noting that the OCC should have broader authority to revoke or rescind approval of a permitted payment stablecoin issuer. The OCC is adopting § 15.33 with technical changes. The OCC is changing a reference to rescission in paragraph (a)(3) to revocation, consistent with the statute. The provisions of § 15.33 directly implement sections 5(i)(3) and 18(c) of the GENIUS Act (12 U.S.C. 5904(i)(3) and 5916(c)). In response to the commenter's concerns, the OCC notes that it has enforcement tools beyond the revocation contemplated in § 15.33. Further, the effect of the OCC's action does not otherwise terminate an entity's corporate existence or affect any other rights. The OCC believes that the procedures in § 15.33 strike the appropriate balance between ensuring that the permitted payment stablecoin issuer or foreign payment stablecoin issuer receives appropriate process before the revocation of its authorization to issue a payment stablecoin in the United States and the potential need for expeditious action by the OCC when necessary to protect the public interest. In addition, the OCC is replacing a reference to the ''OCC's rules of practice and procedures'' with ''the OCC's rules of practice and procedure'' in § 15.33(a)(2)(ii) and § 15.33(b)(2)(ii).

E. Subpart E—Capital and Operational Backstop

Section 4(a)(4)(A)(i) of the GENIUS Act (12 U.S.C. 5903(a)(4)(A)(i)) requires the OCC to establish capital requirements for permitted payment stablecoin issuers. The capital requirements must be tailored to the business model and risk profile of permitted payment stablecoin issuers and not exceed requirements sufficient to ensure the ongoing operations of permitted payment stablecoin issuers. The OCC proposed to address these capital requirements in subpart E of part 15.

1. Overview of Changes From Proposed Rule to Final Rule for Subpart E

The agency is finalizing § 15.40 with changes. The section name and the title for § 15.40(a) have changed from the proposed ''Capital elements'' to ''Capital.'' Whereas proposed § 15.40(a) described a minimum capital requirement as common equity tier 1 capital (described in proposed § 15.40(b)) and additional tier 1 capital (described in proposed § 15.40(c)), final § 15.40(a) requires a permitted payment stablecoin issuer to meet the minimum capital requirement in final § 15.41(a) through the total of its equity accounts after deducting the items listed in final § 15.40(b). As described below, both proposed and final § 15.41(a) describe minimum capital requirements. The final § 15.40(b) lists capital deductions, including intangible assets (*e.g.,* goodwill) and operational backstop assets funded by equity. Proposed § 15.40 did not describe the funding of the operational backstop specifically. Final § 15.40(c) describes operational backstop debt and requires that such debt not exceed 50 percent of the operational backstop requirement in final § 15.41(b). As described below, both proposed and final § 15.41(b) describe the operational backstop requirement. Proposed § 15.40(c)(1) described criteria for additional tier 1 capital whereas final § 15.40(c)(1) describes the criteria for operational backstop debt.

In final § 15.41, the section title ''Minimum capital and operational backstop'' includes ''operational'' while the title of proposed § 15.41 did not. The OCC is adopting § 15.41(a)(1) on the minimum de novo capital requirement as proposed except as described below. Proposed § 15.41(a)(1)(i)(A) differentiated de novo capital requirements for Federal qualified payment stablecoin issuers and State qualified payment stablecoin issuers. Final § 15.41(a)(1)(i)(A) removes that distinction and applies the condition proposed for Federal qualified payment stablecoin issuers. As part of this change, ''OCC'' has been added into ''OCC licensing or chartering conditions.'' The final rule also includes a more specific cross reference than the proposed rule in § 15.41(a)(1)(ii). The OCC is adopting § 15.41(a)(2) on the minimum ongoing capital requirement as proposed with the addition of § 15.41(a)(2)(iii).

For final § 15.41(b) on the operational backstop requirement, the OCC is adopting the rule as proposed with limited additions. The subsection name has changed from ''Operational backstop'' to ''Operational backstop requirement.'' The OCC is replacing a reference to ''payment stablecoin issuer'' with ''permitted payment stablecoin issuer'' in § 15.41(b)(1)(ii)(B). Within § 15.41(b)(1), the final rule includes new paragraphs (iii) and (iv). In addition, the OCC is replacing a reference to ''insured shares'' with ''funds in share accounts that are payable on demand'' in § 15.41(b)(2).

The OCC is adopting § 15.41(c) with changes. In § 15.41(c)(1), the agency is replacing ''the end of each quarter based on the amounts reported in the most recent report required under § 15.14'' with ''at all times.'' The final rule also includes new § 15.41(c)(1)(i) and (ii), where § 15.41(c)(1)(ii) refers to the quarterly reports required under § 15.14(i). Within § 15.41(c)(2), the agency is moving the proposed phrase ''starting on the first day of the following month and until such time as it satisfies its minimum capital and backstop requirements'' to before ''except.'' The agency has also added the phrase ''during a quarter and remains noncompliant,'' which resulted in a conforming edit. Final § 15.41(c)(3)(ii) replaces a reference to stablecoins with a reference to payment stablecoins. Final § 15.41(c) includes new § 15.41(c)(4) and (5).

The OCC is adopting proposed § 15.41(d) with changes. In § 15.41(d)(1), the final rule requires compliance with ''all of the requirements in §§ 15.40 through 15.42'' where the proposal required compliance with ''the minimum capital requirement in paragraph (a) of this section and backstop requirement in paragraph (b) of this section.'' The OCC also replaced ''the minimum capital and leverage requirements in 12 CFR part 3'' with ''the requirements in part 3 of this chapter upon receipt of the OCC's prior approval.'' Proposed § 15.41(d)(2) has been split into final § 15.41(d)(2) through (4) with additional edits. Whereas proposed § 15.41(d)(2) required a notice for both an election or a rescission, final § 15.41(d)(2) and (3) are now about elections only and require a written request for prior approval. The OCC will approve or deny such a request within 60 days after receipt of a complete request. The OCC separated final § 15.41(d)(3) from § 15.41(d)(2) to describe this timeframe. Final § 15.41(d)(4) concerns rescissions and requires a notice. Unlike the notices under proposed § 15.41(d)(2) that were effective 30 days after OCC receipt unless the OCC provided a certain written objection, notices under final § 15.41(d)(4) are effective upon receipt by the OCC. The agency is adopting proposed § 15.41(d)(3), renumbered as § 15.41(d)(5), without proposed § 15.41(d)(3)(ii). Additional edits conform with that change. Final § 15.41(d)(5) also replaces the phrase ''an otherwise applicable minimum capital requirement'' with ''a different minimum capital requirement applies to the national trust bank.''

The OCC is adopting proposed § 15.42 largely as proposed. The final rule makes non-substantive wording and numbering changes, including adding ''operational'' to the section title, technical corrections in § 15.42(a) and § 15.42(c), and adding paragraph subdivisions within § 15.42(c)(3).

The OCC is adopting the proposed amendments to 12 CFR parts 3 and 6 as proposed except for the addition of the GENIUS Act to the part 3 authorities and revisions related to losses from a permitted payment stablecoin issuer that is consolidated with a national bank or Federal savings association.

2. Capital (§ 15.40)

a. Description of Proposed Rule

Under the proposed rule, regulatory capital for permitted payment stablecoin issuers would have consisted of two capital elements, common equity tier 1 capital and additional tier 1 capital. These two elements are generally consistent with the capital elements for national banks and Federal savings associations under 12 CFR part 3. These elements consist of common equity, retained earnings, and noncumulative perpetual preferred stock that meet certain terms designed to ensure significant loss-absorbing capabilities.

Under the proposed rule, common equity tier 1 capital elements would have consisted of common stock instruments (par value, if any, and related surplus), retained earnings, and any accumulated other comprehensive income (AOCI), all as reported under GAAP. Common stock instruments would need to meet various proposed

criteria, including being the most subordinated claim on the issuer's assets, being fully paid-in, having no maturity date, and not being redeemable except with prior OCC approval. Any dividends would have to be fully discretionary, paid out only after fulfillment of any other legal or contractual obligations. In addition, the holders of the instruments must bear losses equally, proportionally, and simultaneously with other holders of common stock instruments. As the most subordinated tier of regulatory capital, common equity tier 1 exhibits the greatest loss absorbency, as any dividends are discretionary and there is no expectation of redemption or repurchase of the instrument, ensuring any operating funds generated can be used for any other business need of the issuer.

The proposed rule also included AOCI as a component of common equity tier 1 capital. While this treatment is consistent with the OCC's requirement in 12 CFR part 3, the OCC did not propose the option in 12 CFR part 3 that permits neutralization of AOCI. The OCC permits certain banks the option to neutralize some components of AOCI in part to reduce regulatory capital volatility associated with changes in value of available-for-sale fixed income securities due to changes in interest rates. These changes in value due to interest rate movements are generally more pronounced the longer the remaining maturity of the securities. As permitted payment stablecoin issuers can only hold securities with remaining maturities of 93 days or less as reserve assets, the change in value of these securities due to interest rate movements likely would generate immaterial amounts of AOCI.

Additional tier 1 capital would have consisted of instruments that meet a different set of proposed criteria, generally consistent with noncumulative perpetual preferred stock issuances that are classified as equity under GAAP. Generally, these instruments would have been subordinated to all claims except those of common shareholders. Under the proposed rule, the instruments could not have a maturity date but may be callable after at least five years with prior approval of the OCC. To provide additional flexibility to the issuer when needed, the terms of the instrument would have needed to provide for the payment of dividends only if and when declared by the board of directors of the issuer. This feature provides the permitted payment stablecoin issuer the ability to retain earnings and capital if needed. These provisions were intended to help the instrument provide significant loss absorbency by limiting the permitted payment stablecoin issuer's obligations to holders. The OCC's capital framework in 12 CFR part 3 also permits tier 2 capital elements, which primarily consist of tier 2 capital instruments (subordinated debt instruments) and certain allowances for credit losses. However, proposed § 15.40 did not include tier 2 capital elements for permitted payment stablecoin issuers. Like the proposed rule, the OCC's process for evaluating capital and liquidity requirements for new uninsured national trust banks also considers only common equity tier 1 capital and additional tier 1 capital but not tier 2 capital, so the proposed approach would promote parity among uninsured national trust banks and other permitted payment stablecoin issuers.

The proposed rule would not have required any specific ratio between the regulatory capital elements or minimum amounts of any capital element. The OCC's current rule for national banks and Federal savings associations sets minimum ratios for common equity tier 1 capital, tier 1 capital, and total capital. The minimum ratio amount of each tier of capital is designed to promote more loss-absorbing capital by setting the minimum common equity tier 1 ratio at more than half of the minimum total capital ratio.

The proposed rule would not have required any specific deductions from regulatory capital for permitted payment stablecoin issuers. The OCC's current rule for national banks in 12 CFR part 3 requires deductions from regulatory capital for goodwill, mortgage servicing assets, other intangible assets, and certain other assets such as deferred tax assets.

b. Description of Comments and the Final Rule

Several commenters addressed the capital elements. Most of these commenters objected to the bank-centric capital element framework and recommended the OCC adopt a measure that would be simpler for issuers to implement, such as tangible equity under GAAP. One commenter supported the proposed elements but requested that the OCC clarify that capital instruments issued under the bank regulatory framework also qualify as capital instruments in the same category in the permitted payment stablecoin issuer framework, in order to avoid the costs of having to reissue capital instruments. A few commenters supported the exclusion of subordinated debt from the capital elements and recommended extending that exclusion to preferred stock as less loss-absorbing than common stock or retained earnings due to required dividend or interest payments and maturities. Numerous commenters recommended that the OCC require deduction of intangible and certain other assets from capital, as these assets generally are not readily liquid, have volatile valuations, or have limited ability to absorb losses during times of stress. These assets include goodwill and deferred tax assets (which often have little or no value in a failure scenario).

After consideration of the comments, the OCC has decided to adopt a capital element framework generally based on GAAP tangible equity. Specifically, any instrument that qualifies as equity under GAAP (including common stock, retained earnings, and certain preferred stock) would qualify as capital for permitted payment stablecoin issuers. This GAAP measure would also incorporate other accounts in the equity section (whether positive or negative), such as treasury stock and accumulated other comprehensive income. In addition, to calculate tangible equity, permitted payment stablecoin issuers would need to deduct any intangible assets (as defined by GAAP) from the capital amount, including goodwill, patents, trademarks, and certain crypto-assets. While not intangible assets under GAAP, the final rule also requires deduction of deferred tax assets (DTAs) for similar reasons. However, as discussed further under the operational backstop requirement, the final rule allows a limited amount of debt based on tier 2 capital instrument criteria [182] to support a portion of the operational backstop requirement.

Relying on a measure derived from GAAP, tangible equity would create a simple, transparent measure for all permitted payment stablecoin issuers. In addition, most instruments that qualify as common equity tier 1 or additional tier 1 capital under the bank regulatory framework likely would qualify as equity under GAAP without the need for bank issuers to reissue those instruments. Another reason for this measure is that the adjustments to deduct intangible assets and DTAs reflect that those assets generally are not liquid, may have volatile or uncertain valuations, may present wrong-way risk (for example, an issuer that incurs regular losses that decrease retained earnings may need to report goodwill impairment, which further decreases retained earnings), and may have little or no value in case of a permitted

[182] *See* 12 CFR 3.20(d).

payment stablecoin issuer failure. Additionally, the deduction of intangible assets and DTAs, including crypto-assets classified as intangible assets under GAAP, is largely consistent with the OCC's current regulatory capital rules for banks as well as for capital calculations for recent preliminary approvals for national trust bank applicants.

While the OCC's regulatory capital rules for banks permit certain timing difference DTAs to avoid deduction and instead receive a risk weight, the final rule at § 15.40(b)(1)(iii) will require a full deduction of all DTAs. Importing the bank capital framework for DTAs would introduce a significant amount of complexity, particularly around categorization of DTAs and various netting and offset provisions, and the final rule for permitted payment stablecoin issuers has no equivalent to a risk-weighted assets framework. However, the final rule allows the DTA deduction to be net of valuation allowances, which are already deducted from the permitted payment stablecoin issuer's net income, in order to avoid a double deduction for those amounts.

The final rule also includes at § 15.40(b)(2) a deduction from capital for any operational backstop assets funded by equity, *i.e.,* those assets that are not funded by operational backstop debt. The qualifying criteria for operational backstop debt and justification for the deduction are discussed in the following § 15.41 together with other comments on the operational backstop requirement.

3. Minimum Capital and Operational Backstop (§ 15.41)

a. Description of Proposed Rule

The OCC proposed establishing a minimum capital requirement framework based on the lifecycle of the permitted payment stablecoin issuer. Under this framework, the OCC would have established the minimum capital requirement for a permitted payment stablecoin issuer as part of the chartering or licensing process that will apply for a minimum timeframe, generally three years. For example, based on the recent approvals for national trust banks engaging in stablecoin issuance programs, the OCC would establish a monetary capital amount for each issuer that must be maintained and a portion of which must be maintained in certain liquid assets.[183] Under this approach, the OCC would consider factors such as projected revenues and expenses, cash burn rates, and expenditures necessary to implement the proposed business plan and activities of the applicant. This analysis may include various scenarios based on projected stablecoin issuance volumes, planned composition of reserves, and projected returns on those reserves in different interest rate environments. During this time, and afterward, the permitted payment stablecoin issuer also would be required to assess its capital adequacy and maintain an amount of capital that is commensurate with its business model and risk profile, subject to review by the OCC.

Under proposed § 15.41, the initial minimum capital requirement would have applied during the ''de novo period,'' generally the three-year period following chartering or licensing by the OCC of the permitted payment stablecoin issuer to issue stablecoins under this proposed rule, or, in the case of State qualified payment stablecoin issuers, transitioning to the OCC's regulatory framework. This timeframe could be extended or shortened by the OCC.

In proposed § 15.41(a)(1)(i)(B), the OCC would have required a floor of $5 million on the minimum capital requirement during the de novo period. This floor was primarily intended to ensure that every proposed payment stablecoin issuer has sufficient resources to support initial operations, particularly to cover the losses that are expected to occur early in the startup phase of a new permitted payment stablecoin issuer. Based on the OCC's experience with chartering de novo national trust banks seeking to provide stablecoin programs, the OCC determined that minimum capital amounts ranging from $6 million to $25 million would be necessary to establish a viable business model.[184]

The proposed rule would have required a permitted payment stablecoin issuer to calculate a minimum capital requirement based on an evaluation of the risks associated with its business model and risk profile. This amount would have been based on estimates submitted during the de novo chartering phase, and, after approval, this amount would have needed to incorporate the operating history of the permitted payment stablecoin issuer and losses experienced from all sources, including operational risk. The OCC would have reviewed and monitored this requirement and the amount of capital held by the permitted payment stablecoin issuer as part of the examination process. The amount of capital held by the permitted payment stablecoin issuer would have needed to appropriately incorporate the operating history and operational risk of the issuer, consistent with the standards described above that the OCC uses to determine the capital requirement for de novo stablecoin issuers. The OCC did not propose any floors on the minimum capital requirement or frameworks for determining a minimum capital requirement for those risks in the rule text.

The OCC proposed that a payment stablecoin issuer must hold a designated pool of highly liquid assets to maintain the ongoing operations of the stablecoin issuer during a business disruption, referred to as the operational backstop. These proposed backstop assets would have been independent of the de novo or ongoing capital requirements and any assets held as reserve assets. The purpose of the operational backstop was to help ensure that during a business disruption that impacts operations of the stablecoin issuer, a liquid pool of identifiable assets exists to allow the stablecoin issuer to meet short-term liquidity needs, stabilize the issuer after the disruption, and continue or resume normal operations. The operational backstop would have been calculated based on the actual total expenses of the stablecoin issuer over the past 12 months. These expenses, including for utilities, data processing, and salaries, are highly correlated with the permitted payment stablecoin issuer's ability to maintain the operations of its payment stablecoin and stabilize from a business disruption. The operational backstop would have provided a runway for the permitted payment stablecoin issuer to evaluate the source of the disruption and potential responses without needing to take urgent action due to lack of funds. The amount of the operational backstop requirement would be calculated each quarter, based on the permitted payment stablecoin issuer's total expenses as reported in the four most recent quarterly reports filed under § 15.14 of the proposed rule. For de novo permitted payment stablecoin issuers, the initial requirement would have been based on reasonable expense projections and adjusted each quarter based on actual amounts for that quarter.

[183] OCC News Release 2025–125, ''OCC Announces Conditional Approvals for Five National Trust Bank Charter Applications'' (December 12, 2025), *https://occ.gov/news-issuances/news-releases/2025/nr-occ-2025-125.html.*

[184] *See id.*

b. Description of Comments and the Final Rule

Calibration of Capital Requirement

Many commenters responded to the above-described proposal of individualized minimum capital requirements during and after the ''de novo'' period. Approximately half of these commenters supported the proposed individualized assessment, while the other half recommended that the OCC adopt more objective standards for setting capital requirements.

Commenters that supported the proposed approach cited various factors, including that individualized assessments allow for precise tailoring of capital requirements to the business model, risk, and size of the permitted payment stablecoin issuer. One commenter noted that the OCC would lack sufficient empirical data on stablecoin operators to propose appropriate standardized capital requirements.

Commenters that supported a more objective framework cited numerous factors, including that individualized capital calibration gives the OCC too much discretion to set capital requirements for permitted payment stablecoin issuers. Commenters argued this discretion includes the ability to set materially different capital requirements for similar issuers. Some commenters noted that the ''black box'' capital process harms potential new issuers, who will not know their capital requirements until after OCC approval, and stablecoin holders, who will not have objective metrics to compare the financial health of competing permitted payment stablecoin issuers. Numerous commenters noted that the OCC has long established standardized minimum capital requirements for banks, including capital requirements for credit risk, market risk, interest rate risk, and operational risk, which could be used to calibrate a framework for permitted payment stablecoin issuers and reserve assets that are subject to the same risks.

A few commenters requested that, however the capital requirement is determined, the OCC should provide a capital discount to permitted payment stablecoin issuers that use the commenter's proprietary technology, blockchain protocol, risk modeling software, or other service. Another commenter requested that capital requirements for new issuers should phase-in over time to allow those issuers to build up capital during the de novo period.

After consideration of the comments, the OCC has decided to retain the proposed approach of individualized capital requirements for each permitted payment stablecoin issuer. The varied business models of permitted payment stablecoin issuers and lack of empirical evidence make calibration of objective numeric capital requirements too challenging at this time to implement in a manner that is appropriate for the expected variety of permitted payment stablecoin issuers. However, to address the comments that the proposed rule's individualized approach lacked sufficient detail about the basis for the determination, the OCC is providing a more detailed list of what factors the OCC will consider in setting minimum capital requirements for issuers, consistent with the principles in OCC Bulletin 2007–21.[185] Although not all permitted payment stablecoin issuers will operate similarly to national trust banks, the factors in Bulletin 2007–21 have long provided an appropriate balance between providing notice to potential trust bank applicants of the factors the OCC will consider with the OCC's discretion to tailor capital requirements based on business model and risk. The OCC also has experience applying these factors to a number of recent trust bank applicants that have sought charters in part to issue payment stablecoins. The factors the OCC will consider, as adapted from the principles set out in Bulletin 2007–21, follow:

- *The composition, stability, and direction of revenue.* Compare actual revenue against projected revenue. Evaluate revenue by business line. Consider growth expectations along with customer concentrations. Assess fee structure and pricing policies including negotiated concessions. Also, consider earnings sensitivity to market risk factors (*e.g.,* exposure to changes in interest rates and foreign exchange rates).
- *The level and composition of expenses in relation to the permitted payment stablecoin issuer's operations.* Consider fixed versus variable expenses, the level of cash expenditures for existing or planned contract agreements (employment, equipment, fixtures, premises, etc.), and the adequacy of the cash budgeting and planning process.
- *The level of retained earnings.* Evaluate the relationship between retained earnings and realized and anticipated growth. Consider shareholder/parent company expectations for dividends along with their commitment and ability to augment capital, if needed. Also, consider the volume of intangible assets and their effect on capital levels and capital requirements.
- *The quantity and direction of strategic risk.* Evaluate the volume, type, and growth in reserve assets as well as other assets that support the issuer's business. Consider the risks associated with the various product types, business lines, concentrations, investment strategies, and outsourcing arrangements. Evaluate the impact of customer complaints, pending lawsuits, and regulatory actions. Consider the likelihood and magnitude of a loss event along with the opportunity cost of lost business.
- *The quality of risk management processes, including the adequacy of internal and external audit, internal controls, and the compliance management system.* Consider the volume and significance of noncompliance with policies and procedures, laws, regulations, prescribed practices, and ethical standards.
- *The quantity of transaction risk from the permitted payment stablecoin issuer's issuance of stablecoins, as well as its delivery and administration of other products and services.* Consider the condition, security, capacity, and recoverability of systems. Also consider plans for conversions, integrations, and system upgrades.
- *The impact of external factors, including economic conditions, competition, evolving technology, legislative changes, and precedent-setting court decisions.*

In addition, the OCC will require as part of the quarterly reporting that every permitted payment stablecoin issuer disclose its current minimum capital and operational backstop requirements in order to promote transparency. This would also allow stablecoin holders to compare the minimum capital requirements and the amount of capital instruments and operational backstop assets held to satisfy those requirements.

The OCC declines to adopt a capital adjustment for permitted payment stablecoin issuers that adopt a certain proprietary technology, as this would be beyond the scope of the rulemaking, may disincentivize changes in technology, and would be inconsistent with the role of the OCC. The OCC also declines to adopt a phase-in for new issuers to meet their minimum capital requirements. Those requirements are intended to reflect both the current state of the permitted payment stablecoin issuer as well as future growth projections and allowing a phase-in of capital requirements would increase the

[185] OCC Bulletin 2007–21, ''Supervision of National Trust Banks: Revised Guidance: Capital and Liquidity,'' (June 26, 2007), *https://www.occ.gov/news-issuances/bulletins/2007/bulletin-2007-21.html.*

risk as the issuer is ramping up growth in the early stages of its existence.

De Novo Minimum Capital Requirement. The OCC proposed that de novo stablecoin issuers, generally those that have been licensed for three years or less, would have a $5 million floor on their capital requirements.

A few commenters opposed the floor, noting that it would limit access for smaller applicants or may be higher than the individual capital requirement tailored to the risks of the individual permitted payment stablecoin issuer. Other commenters supported the floor as an appropriate prudential safeguard. One commenter recommended raising the floor to $15 million, suggesting that it is more in line with the capital requirements the OCC has imposed on de novo trust banks that plan to issue stablecoins.

After consideration of the comments, the OCC has decided to adopt the $5 million floor as proposed, except for adding a more specific cross reference in § 15.41(a)(1)(ii) (the proposal referred to waivers under § 15.15, whereas the final rule specifies waivers under § 15.15(d)). The OCC agrees that setting a capital floor is a valuable prudential safeguard and provides stability for smaller issuers. This safeguard is important to provide stability throughout the life of a permitted payment stablecoin issuer and, therefore, the OCC is extending the $5 million floor beyond just the de novo period. Based on the OCC's experience to date with the minimum capital amounts necessary to operate a viable stablecoin business model, the OCC believes that a $5 million floor is appropriately calibrated. However, given the variety of possible business models of applicants, the OCC does not believe that a higher minimum floor is necessary, as the OCC can set a higher capital requirement for more complex permitted payment stablecoin issuers as necessary.

Operational Backstop Requirement

Calibration of the Backstop. As noted above, the operational backstop requirement would be calibrated based on the total expenses of the permitted payment stablecoin issuer over the prior 12 months, or on reasonable estimates of expenses for issuers with a shorter operating history. The OCC proposed the backstop to provide a source for immediate liquidity to the permitted payment stablecoin issuer to assist the issuer with recovering from a business disruption in the near term.

Many commenters recommended shortening the 12-month timeframe and limiting the purpose and expenses included in calculating the operational backstop. Specifically, many of those commenters recommended limiting the purpose of the operational backstop to those costs necessary to liquidate the stablecoin and that the amount not exceed 6 months or less of those more limited expenses. A few commenters supported limiting expenses if the permitted payment stablecoin issuer was a subsidiary of a bank, had a binding liquidity agreement with its parent entity, or used a specific software product that may accelerate the liquidation of the stablecoin. A few commenters supported the backstop as proposed, while a few other commenters recommended incorporating a forward-looking metric for expenses based on the projected growth of the permitted payment stablecoin issuer. Some commenters recommended that however expenses are determined, the OCC should ensure that permitted payment stablecoin issuers with affiliates do not attempt to artificially reduce expenses by running those expenses through affiliates.

After consideration of the comments, the OCC has decided to calculate the operational backstop requirement based on the prior 12 months of total expenses. While past crypto-asset company failures have taken many years to resolve, the existence of prudential safeguards and requirements (including know-your-customer requirements) should help reduce the time required to identify claims and to facilitate the sale or liquidation of a permitted payment stablecoin issuer (and the redemption of outstanding payment stablecoins). In addition, the operational backstop requirement has a broader purpose of addressing temporary business disruptions that would lead to failure absent the backstop, but that could resolve and lead to recovery of the stablecoin issuer within 12 months with the backstop. The OCC does not agree with commenters that the shorter 6-month expense backstop used for recent bank charter approvals is appropriate here, as the activities, business models, regulatory framework, and potential for resolution materially diverge.

However, to address comments that using 12 months of total expenses may be overly broad, the OCC will allow a permitted payment stablecoin issuer to request permission to exclude one-time expenses that bear no relation to the ongoing operations of the stablecoin issuer when calculating the backstop. As the backstop is calculated each quarter based on the prior 12 months, one-time expenses will automatically be removed after 12 months, so the approval will only cover the timeframe until the one-time expense is no longer in that window. As a baseline to qualify for exclusion, expenses must bear no relation to the ongoing operations of the permitted payment stablecoin issuer; common expenses such as for equipment, software, employee compensation (whether paid as salary, bonus, stock options, or in other forms) would not qualify for exclusion, as they support the operations of the stablecoin issuer.

The OCC also is clarifying that in cases in which one permitted payment stablecoin issuer merges with another permitted payment stablecoin issuer, the acquiring issuer would be required to include the acquired issuer's expenses during the relevant timeframe when calculating the operational backstop requirement for the combined entity. This adjustment reflects that the acquiring issuer's expenses are likely to increase to support a larger payment stablecoin issuance post-merger. However, the acquiring permitted payment stablecoin issuer could request exclusion of one-time expenses associated with the merger incurred by either the acquired or acquiring permitted payment stablecoin issuer under the general exclusion in the final rule. In cases in which the combined entity may have additional operational risks post-merger, for example from stablecoin conversion or systems integration, the OCC may impose an additional operational backstop requirement under § 15.42.

The OCC is not adopting any adjustments based on whether a permitted payment stablecoin issuer is a subsidiary of a bank or has a liquidity agreement in place with a parent bank; while it is possible these arrangements may reduce the risk to the issuer, the arrangements may weaken the health of the parent bank if the issuer ever needs liquidity or other support from the parent bank. The OCC generally does not mandate use of a specific product or service provider in exchange for obtaining a capital benefit. For permitted payment stablecoin issuers with affiliates, the OCC agrees with commenters that those issuers must reflect the reasonable cost of any shared services provided by affiliates, whether reimbursed or not, when calculating the operational backstop requirement. The OCC is not incorporating a specific forward-looking assessment of operating expenses; historical increases in operating expenses will be included in the backstop each quarter, while the overall capital evaluation and stress testing performed by each issuer will already consider expected capital requirements based on future growth.

Funding and Composition of the Backstop. Under the proposal, the operational backstop requirement would consist of a limited pool of highly liquid, low-risk assets. The proposed pool of eligible assets would have been narrower than those assets that qualified as reserve assets, and these assets would have been separately reported from the reserve assets. While the proposal did not specifically identify how the operational backstop would be funded, the minimum capital requirement and operational backstop requirement were defined as two separate pools to support the continued operation of a permitted payment stablecoin issuer.

Some commenters recommended that the OCC expand the list of assets that qualify for the operational backstop to include one or more of the following: United States Treasury securities with maturities greater than 93 days; uninsured bank deposits; stablecoin reserve assets that are not currently backing any stablecoins; other unspecified assets that the OCC has approved as liquid assets in recent charter approvals. Many commenters recommended that the OCC require that the operational backstop be funded by equity accounts, not debt instruments, as the interest payments and maturities on debt instruments would weaken the availability of the backstop. Some of these commenters also requested clarification as to whether the backstop could be funded by equity instruments that also count toward the minimum capital requirement or if the minimum capital and operational backstop requirements had to be contributed separately.

After consideration of the comments, the OCC has decided to retain the list of permissible backstop assets with one technical change. While uninsured bank deposits are allowable as reserve assets, they are subject to credit and liquidity risks of the depository bank. Furthermore, uninsured deposits held at an affiliated bank would present wrong-way risk, as a failure of the bank would jeopardize funds available at the affiliated permitted payment stablecoin issuer, while an operational failure at the issuer that required drawing on those deposits could increase the liquidity risk at the affiliated bank. The OCC is also declining to expand recognition to longer-dated United States Treasuries or other assets; while these assets may have low credit risk, they present heightened interest rate and price risk, as the backstop may require liquidation of these assets prior to maturity when the asset prices may be below par or acquisition value. The OCC is changing references to ''insured shares'' to funds in ''share accounts that are payable on demand'' to clarify that such funds, like deposits, must be payable on demand.

The OCC agrees with the commenters that the operational backstop requirement should be funded significantly by equity accounts and be accounted for separately from the minimum capital requirement. Permitting the backstop to be funded only by debt increases the risk to the permitted payment stablecoin issuer, as funds that may be needed to assist the issuer may be obligated to be paid out as interest or principal on debt instruments, while it may be difficult for an issuer to replace or roll over those debt instruments if it faces a business disruption. However, the OCC also recognizes that debt funding is generally less expensive than equity funding, which could help improve the financial position of the permitted payment stablecoin issuer. Therefore, the final rule allows a permitted payment stablecoin issuer to rely on debt instruments to fund no more than 50 percent of the operational backstop requirement, provided those debt instruments include appropriate safeguards generally consistent with requirements for tier 2 capital instruments under the bank capital framework. These requirements, listed in § 15.40, include that the instrument is paid in, has a maturity no shorter than five years from issuance, and may be called prior to maturity only after five years and with approval of the OCC. In addition, the amount of debt from an issuance that could qualify as operational backstop debt would be reduced by 20 percent of the otherwise qualifying amount of that instrument per year for each of the last five years until maturity of that issuance to reduce the cliff effect from maturity causing the full amount of operational backstop debt to disappear all at once. For example, when an instrument has 5 years remaining until maturity, and the instrument would otherwise satisfy up to $100 of the operational backstop requirement (even if the amount of the instrument issued exceeded $100), only a maximum of $80 could count as qualifying operational backstop debt. When that same instrument has 4 years remaining until maturity, only a maximum of $60 could count as qualifying operational backstop debt, and so on. A permitted payment stablecoin issuer may have multiple debt issuances, and the phase-out would apply separately to each issuance based on its maturity date, subject to a total cap across all instruments of 50 percent debt financing of the operational backstop requirement. This provides some flexibility to permitted payment stablecoin issuers while ensuring that debt funding of the operational backstop requirement will not disappear through early repayments or subject the issuer to a cliff effect upon final maturity of any operational backstop debt instrument. A permitted payment stablecoin issuer may issue debt instruments in excess of 50 percent of its operational backstop requirement, but only the portion of those debt instruments not in excess of 50 percent will qualify as operational backstop debt funding the operational backstop requirement.

Allowing the same capital amount to count toward the minimum capital requirement and the operational backstop requirement would double the negative consequences from using the backstop, as any use of the backstop to pay expenses to support the stablecoin would reduce retained earnings, thus reducing available capital; conversely, as capital is depleted through operating losses it would also reduce capital available to support the operational backstop requirement. One way to achieve the result of independent minimum capital and backstop requirements, as suggested by one commenter, would be to require that the operational backstop requirement be deducted from tangible equity. The OCC is adopting this approach as it provides a simple, transparent mechanism to separately capitalize the minimum capital requirement and operational backstop requirement and avoid the risk of counting the same equity accounts for both purposes. Under the final rule, when calculating its capital, the permitted payment stablecoin issuer must deduct the difference between its operational backstop requirement and its operational backstop debt (up to a cap of 50 percent of the operational backstop requirement).

Capital Calculation Timeframes and Effects. Under the proposal, the capital requirements would be calculated as of the last day of each quarter and compliance would be evaluated at that time. An issuer that failed to meet its capital requirements at the end of a quarter would have been subject to certain restrictions on new stablecoin issuance during that quarter until it returns to a satisfactory capital level, and an issuer that failed its capital requirements in two consecutive quarters would have been required to liquidate the stablecoin.

A few commenters recommended that the OCC replace the point-in-time capital calculation with a daily, weekly, or monthly average in order to avoid

issuers ''window dressing'' their end-of-quarter capital amounts. A few commenters supported the proposed effects of failing to meet the capital requirements but recommended that the OCC allow itself the ability to either accelerate or delay those impacts based on individual considerations of a specific permitted payment stablecoin issuer. One commenter opposed the stablecoin issuance and liquidation measures for failure to meet capital requirements if the stablecoin still had sufficient reserve assets.

One commenter requested clarification on whether an applicant would be required to maintain an operational backstop equal to 12 months of total operating expenses in liquid assets as of the application date. As provided in the proposal, for de novo permitted payment stablecoin issuers, the initial operational backstop amount would be based on reasonable expense projections and adjusted each quarter based on actual amounts for that quarter. The requirement to hold the operational backstop would not attach until the applicant began operations as a permitted payment stablecoin issuer.

After consideration of the comments, the OCC has decided to require a permitted payment stablecoin issuer to track its compliance with the minimum capital requirement and operational backstop requirement throughout the quarter, and at quarter-end to report whether or not the issuer complied with those requirements every day of the quarter rather than just on the last day. This approach is more prudent and addresses commenter concerns about issuers artificially improving (*i.e.,* ''window dressing'') quarter-end numbers, when capital may vary significantly throughout the quarter. Furthermore, to address commenter concerns about timeliness, if a permitted payment stablecoin issuer's capital falls below its minimum capital requirement at any time during the quarter, the issuer must notify the OCC within 24 hours. After notification, the OCC may decide to accelerate imposition of the penalties for failure to meet minimum capital requirements prior to the end of the quarter if it appears unlikely to the OCC that the permitted payment stablecoin issuer will be able to raise sufficient capital to regain compliance or implement other actions to protect the interests of stablecoin holders. These measures will help reassure holders of stablecoins that issuers are addressing deficiencies in meeting capital requirements in a timely and appropriate manner. A permitted payment stablecoin issuer that fails to meet its capital or backstop requirements at any point during a quarter, but restores compliance by the end of that quarter, would not be subject to the new issuance restrictions or mandatory redemption requirements unless the OCC accelerates imposition of those requirements.

The OCC also recognizes that one of the purposes of the operational backstop requirement is to provide a source of readily available liquid assets that can be used to support the continued operation of the stablecoin during a temporary disruption or other operational event. However, using those assets for the intended purpose of recovering from such an event could cause the permitted payment stablecoin issuer to temporarily fall below the minimum operational backstop requirement. Therefore, the final rule includes a limited waiver of compliance with the operational backstop requirement in this circumstance. Specifically, if the permitted payment stablecoin issuer suffers a temporary disruption or other operational event requiring use of the backstop assets; notifies the OCC of the event within 24 hours; submits a plan to the OCC within 7 days of the event to restore the backstop assets within 90 days, and the OCC deems the plan viable, then the permitted payment stablecoin issuer will be considered to be in compliance with the operational backstop requirement during that time. The final rule also makes a technical change in § 15.41(c)(3)(iii), changing a reference from ''stablecoin'' to ''payment stablecoin.''

Final § 15.41(d) describes requirements specific to uninsured national trust banks. There are several changes from the proposed § 15.41(d) that generally would require an uninsured national trust bank to apply to be subject to the capital requirements in part 15 in lieu of the requirements in 12 CFR part 3 and to provide notice if it rescinds the election to be subject to the capital requirements of part 15. Because these requirements and the changes relate to the amendments to 12 CFR part 3, a description of the § 15.41(d) requirements and changes is below alongside a description of the amendment to 12 CFR part 3.

4. Individual Additional Capital or Operational Backstop Requirement (§ 15.42)

a. Description of Proposed Rule

The OCC proposed a process to impose an individual additional capital or backstop requirement on a permitted payment stablecoin issuer. This process was permitted by section 4(a)(4)(B)(i) of the GENIUS Act (12 U.S.C. 5903(a)(4)(B)(i)) and is generally consistent with the OCC's process to impose individual minimum capital ratios for national banks in 12 CFR part 3, subpart H. Uninsured national trust banks that are also permitted payment stablecoin issuers would have been subject to both the individual minimum capital ratio framework and the proposed individual additional capital or backstop requirement.

The proposed rule included a list of illustrative examples of when the OCC may consider imposing an individual additional capital or backstop requirement, such as when a permitted payment stablecoin issuer is facing a significant increase in operational risks, excessive volatility in stablecoin issuance or redemptions and the permitted payment stablecoin issuer's management lacks a robust plan to address that volatility, or for additional risks that the stablecoin issuer is not appropriately managing or reflecting in the capital determination.

Under the proposal, the OCC would notify the permitted payment stablecoin issuer of the proposed individual additional capital or backstop requirement, including a justification for that requirement and a target achievement date. The board and management of the permitted payment stablecoin issuer generally would have 30 days to respond to that notice. The OCC could change this time period, as appropriate, based on the condition of the permitted payment stablecoin issuer.

b. Description of Comments and the Final Rule

The OCC received no comments on the proposed framework for the individual additional capital or backstop requirement and, except for certain technical amendments described below, adopts it as proposed. The final rule eliminates a reference to an individual permitted payment stablecoin issuer in paragraph (a) as unnecessary. In addition, the final rule replaces the phrase ''in view of its circumstances'' with ''if appropriate under the particular facts and circumstances'' in the same paragraph. The final rule makes a grammatical correction in paragraph (c)(1) substituting ''is'' for ''are.'' In paragraph (c)(2), the OCC is making non-substantive clarifying edits, including replacing the word ''which'' with ''that'' and eliminating surplus language. The final rule also breaks apart and renumbers paragraph (c)(3) (so that the final rule includes paragraphs (c)(3)(i) through (iii)). Paragraph (c)(4) now

contains an express reference to paragraph (c)(3). Surplus language has been removed from language finalized at paragraph (c)(5). These changes are non-substantive. The provisions of § 15.42 will allow the OCC to better tailor the capital requirements of a permitted payment stablecoin issuer in a variety of circumstances, such as when that issuer fails to appropriately determine its minimum capital requirement, has material unaddressed risks, or faces excessive volatility in the operation of its stablecoin.

Excessive Volatility. One of the proposed factors related to excessive volatility in the issuance or redemption of an issuer's stablecoin. The OCC asked a question in the proposed rule specifically around whether to further define what would qualify as excessive volatility for purposes of the individual additional capital or backstop requirement. A few commenters supported the OCC defining excessive volatility by listing objective factors but not linking those to any specific numerical outcome. The OCC is declining to define excessive volatility in the final rule, as the OCC currently lacks sufficient data to support a numerical threshold for this term as well as to preserve flexibility in how to apply that factor going forward.

Capital Buffers. While the GENIUS Act permits the OCC to impose capital buffers, the OCC did not propose any buffers as part of the capital framework.

A few commenters recommended that the OCC adopt capital buffers for various purposes or risks that issuers may face. One commenter recommended a buffer for permitted payment stablecoin issuer subsidiaries of banks that deposit stablecoin reserve assets at their parent banks to help address the risk that a failure of the parent bank will lead to insufficient reserves and a failure at the stablecoin issuer. One commenter recommended capital buffers to provide stablecoin holders with a larger cushion for fluctuations in reserve assets in order to reduce the risk of a run on the stablecoin. One commenter recommended adopting capital buffers to address operational failures, cybersecurity incidents, fraud, or a breakdown in internal controls at the permitted payment stablecoin issuer. One commenter recommended capital buffers for more complex permitted payment stablecoin issuers or those that hold money market mutual fund shares, uninsured bank deposits, or that are affiliated with a bank.

The OCC is not adopting a capital buffer in the final rule. The risks that commenters raise are sufficiently addressed through the calibration of existing capital requirements or through other provisions within this rule without the need for imposing a capital buffer. Risks associated with the payment stablecoin reserve assets, including riskier reserve assets such as uninsured deposits, are addressed through the limits on reserve asset composition and monitoring requirements. Risks associated with operational failures, whether internal or external, are addressed through the individualized capital requirement and the operational backstop, which is intended to help ensure that a permitted payment stablecoin issuer will have sufficient liquid assets available to address such a failure. As described elsewhere in the final rule, a permitted payment stablecoin issuer must conduct stress testing and must ensure that its reserve asset value will equal or exceed outstanding issuance value at all times. As a result, a permitted payment stablecoin issuer may need to hold a buffer of reserve assets, which could mitigate the risks that might otherwise be addressed by a capital buffer requirement.

Foreign Issuer Capital. The proposed rule requested comment on whether foreign issuers should follow the same capital requirements as permitted payment stablecoin issuers. The OCC requested feedback on this proposal, as well as on any potential adjustments to the capital equivalency deposit for Federal branches or foreign banks that operate payment stablecoins. Generally, the capital equivalency deposit is calculated as 5 percent of liabilities of a Federal branch.[186]

Numerous commenters provided diverging views on how to address capital requirements for foreign issuers. These views ranged from allowing foreign issuers to follow home-country stablecoin capital requirements to reduce burden, requiring foreign issuers to follow United States requirements to maintain a level playing field with United States issuers, or requiring foreign issuers to follow the higher of home country or United States requirements to avoid regulatory arbitrage. A few commenters also supported exempting liabilities associated with stablecoin programs, such as stablecoin reserve deposits or stablecoin holder liabilities, from being in the calculation of the capital equivalency deposit for a foreign branch operating a payment stablecoin, or otherwise counting appropriately segregated reserve assets as satisfying the capital equivalency deposit requirement.

After considering the comments, the OCC has determined that it is appropriate to consider whether a foreign issuer must follow the same United States minimum capital and operational backstop requirements as permitted payment stablecoin issuers through the registration process. Addressing capital requirements through the registration process recognizes that foreign payment stablecoin issuers eligible to register with the OCC must be subject to a regulatory and supervisory regime that is comparable to the GENIUS Act. As a result, in many circumstances, following home-country stablecoin capital requirements may be sufficient. However, if a foreign regime were generally comparable but required less capital to be held, it may be appropriate for the OCC to require additional capital to be held with respect to the United States operations of the foreign payment stablecoin issuer. Assessing capital requirements at the registration phase will allow the OCC to ensure that the United States operations of foreign payment stablecoin issuers are appropriately capitalized and are not unduly advantaged or disadvantaged relative to permitted payment stablecoin issuers. The OCC believes this will reduce the burden on these foreign issuers from having to comply with multiple equivalent capital frameworks, while ensuring that foreign issuers are not benefitting from lower home-country capital requirements to create an uneven competitive environment.

The OCC also agrees with commenters that the current requirements for capital equivalency deposit calculations based on 5 percent of most liabilities could unnecessarily disincentivize Federal branches from offering stablecoin programs and disadvantage them relative to State branches. The OCC is considering addressing this concern in the near future through a separate rulemaking on 12 CFR part 28, the OCC's implementing regulation for Federal branches that includes provisions on calculation and maintenance of the capital equivalency deposit.

[186] Under 12 U.S.C. 3102(g), the capital equivalency deposit is calculated as the greater of the capital required of a national bank at the same location or 5 percent of total liabilities, with exceptions for certain accrued expenses and related party liabilities. In practice, the 5 percent of liabilities amount is generally the binding requirement.

5. Proposed Adjustments to the Bank Capital Rule (12 CFR Part 3)

a. Description of Proposed Rule

Section 4(a)(4)(C)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(4)(C)(iii)) specifies that for stablecoin issuers owned by insured depository institutions or depository institution holding companies, the appropriate Federal banking agency (as defined in 12 U.S.C. 1813(q)) cannot require an insured depository institution or depository institution holding company that is consolidated with a permitted payment stablecoin issuer to hold any amount of regulatory capital with respect to such permitted payment stablecoin issuer and its assets and operations in excess of the capital that such permitted payment stablecoin issuer must maintain under the capital regulations promulgated under the GENIUS Act.

Therefore, for regulatory capital purposes, the OCC proposed to amend 12 CFR part 3 to specify that an insured national bank or Federal savings association that owns a permitted payment stablecoin issuer consolidated under GAAP must deconsolidate the permitted payment stablecoin issuer for regulatory capital purposes. The insured national bank or Federal savings association would need to deduct any interest in retained earnings of the permitted payment stablecoin issuer from the insured national bank's or Federal savings association's common equity tier 1 capital. This amount would also be deducted from the asset reflecting the investment in the subsidiary for risk-based and leverage capital calculations. This interest reflects the insured national bank's or Federal savings association's share of retained earnings of the permitted payment stablecoin issuer that have not been paid out as dividends, and the deduction ensures that the same amount would not count as capital at both the permitted payment stablecoin issuer and its parent insured national bank or Federal savings association. Once earnings from the subsidiary are paid as dividends to the parent national bank or Federal savings association, those funds would be available for general uses of the parent bank and no longer count as capital of the stablecoin issuer. Finally, any remaining assets associated with the permitted payment stablecoin issuer (after deducting its share of retained earnings), such as investments in or intercompany receivables from a permitted payment stablecoin issuer, would have been excluded when calculating the insured national bank's or Federal savings association's standardized total risk-weighted assets, advanced approaches risk-weighted assets, average total consolidated assets, and total leverage exposure, as applicable. To the extent that a subsidiary permitted payment stablecoin issuer incurs net losses, there would be no adjustment to increase its parent national bank or Federal savings association's assets or retained earnings to offset those losses, so as not to overstate the resources and financial condition of the parent bank.

As proposed, this deconsolidation and deduction approach would have ensured that any assets and capital associated with the permitted payment stablecoin issuer are not double-counted when included in risk-based or leverage capital ratio calculations at the parent insured national bank or Federal savings association, and that any retained earnings of the permitted payment stablecoin issuer are not double-counted as capital that can be used by the parent insured national bank or Federal savings association.

The proposed rule, like the statute, would have allowed uninsured national trust banks to issue payment stablecoins directly. Currently, uninsured national trust banks are subject to the full requirements of 12 CFR part 3, including risk-based and leverage capital ratios. However, the capital required under those measures may significantly exceed the capital that would be required for other types of permitted payment stablecoin issuers under the proposal. In order to establish parity among all types of permitted payment stablecoin issuers, the OCC also proposed permitting uninsured national trust banks that issue stablecoins to elect to follow the proposed capital requirements in part 15 and not calculate or comply with the minimum capital requirements in part 3.

Furthermore, to promote parity among uninsured national trust banks, whether or not they issue payment stablecoins, the OCC proposed to allow any uninsured national trust bank to similarly elect to follow the proposed minimum capital requirements calculated under part 15 instead of those under part 3. As acknowledged in OCC Bulletin 2007–21, the leverage and risk-based capital ratios in 12 CFR part 3 generally are not optimal measures of capital adequacy for national trust banks. Under the proposed rule, a national trust bank seeking to follow the part 15 minimum capital requirements instead of the part 3 minimum capital requirements would submit a notice to the OCC indicating its election. The election would become effective 30 days after OCC receipt, unless the OCC objects in writing for good cause within that timeframe. After electing to be subject to the capital requirements of part 15, a national trust bank subsequently could revert to following the relevant capital measures in part 3 for good cause and with approval of the OCC.

Under the proposal, an uninsured national trust bank would continue to follow the criteria and definitions for capital instruments in 12 CFR part 3, subpart C, including any adjustments or deductions.

b. Description of Comments and the Final Rule

Bank Subsidiary Issuers

The proposed rule included regulatory capital adjustments for banks that have subsidiary permitted payment stablecoin issuers, which generally would have required deconsolidating and deducting the issuers when computing the bank's regulatory capital under 12 CFR part 3. The proposed adjustments were intended to implement a requirement in the GENIUS Act that consolidated permitted payment stablecoin issuers should not also be subject to duplicative bank regulatory capital requirements when owned by a bank.

Commenters responding to this aspect of the proposal generally supported the proposed treatment. A few commenters recommended also exempting the assets and activities of a permitted payment stablecoin issuer subsidiary when considering the assets and activities of the bank in other contexts, such as under the high-quality liquid assets requirements, stable funding requirements, and for reserve asset deposits held at the parent bank. One commenter recommended that parent banks be required to enter into source of strength agreements with their subsidiary issuers to provide additional liquidity and capital as needed.

After considering the comments, the OCC is adopting the capital adjustments to 12 CFR part 3 for bank parents of permitted payment stablecoin issuers as proposed with one revision. Under the final rule, a bank that is consolidated with a subsidiary permitted payment stablecoin issuer must deconsolidate that issuer. The bank must then exclude any amount of its investment in the subsidiary reflecting undistributed earnings from both the bank's investment and equity accounts.

Likewise, the final rule includes one revision to provide an adjustment to increase a parent bank's common equity tier 1 capital for any losses incurred by

its consolidated permitted payment stablecoin issuer. This adjustment will ensure that losses at the permitted payment stablecoin issuer, which reduce capital at the issuer, will not also reduce regulatory capital at the parent bank or require the parent bank to raise additional regulatory capital to cover those losses. The OCC will monitor any losses at the permitted payment stablecoin issuer and associated addback for potential manipulation, and the OCC may take action, such as through the use of the reservation of authority or imposing individual minimum capital requirements, as appropriate, to ensure the safety and soundness of the national bank or Federal savings association.

Finally, the bank must exclude any remaining balance of its investment in the subsidiary when calculating any risk-weighted asset and leverage ratio requirements. For clarification, this provision also excludes the permitted payment stablecoin issuer's operations from the calculation of operational risk-weighted assets, which is a component of advanced approaches risk-weighted assets.

The GENIUS Act only requires an adjustment for a bank that owns a consolidated permitted payment stablecoin issuer. To the extent a bank has any other exposure to a permitted payment stablecoin issuer that is not consolidated with the bank under GAAP, the bank would treat its interest under the existing 12 CFR part 3 framework. To the extent that the bank's consolidated permitted payment stablecoin issuer subsidiary has outside investors, which would be reflected as minority interest at the consolidated bank, this minority interest would be eliminated during deconsolidation and therefore would not also be includable as capital under the minority interest provisions in 12 CFR 3.21.

The OCC does not agree that deposits of an issuer subsidiary should receive special treatment under regulatory capital or liquidity rules over other deposits of the bank; on the contrary, those deposits may exhibit increased liquidity risk compared to other deposits at the bank, depending on the form of the deposits. Many of the asset thresholds or non-part 3 regulatory requirements for banks that have permitted payment stablecoin issuer subsidiaries are contained within interagency rules and are better addressed on an interagency basis rather than through this standalone OCC rule. The OCC is declining to require parent banks to enter into capital maintenance agreements with their subsidiary permitted payment stablecoin issuers, as this requirement would impose an extra burden on bank-affiliated issuers and increase risk to the bank to support its stablecoin subsidiary, potentially jeopardizing the parent bank's safety and soundness. The final rule does not include any requirement or supervisory expectation that a parent bank act as a source of strength for a subsidiary permitted payment stablecoin issuer.

The final rule also adds a reference to the GENIUS Act in the authority citation for 12 CFR part 3.

National Trust Bank Capital Framework

The OCC received numerous comments on the proposed capital treatment for national trust banks. Commenters generally offered four perspectives: not providing any special treatment to national trust bank permitted payment stablecoin issuers; allowing national trust banks with stablecoin programs to use the proposed GENIUS capital framework if those banks limited their activities solely to GENIUS-authorized activities; allowing all national trust banks with stablecoin programs to use the proposed capital framework regardless of other activities; and allowing all national trust banks to use the proposed capital framework. One commenter suggested requiring additional capital for national trust banks that conduct more than half of their business in non-stablecoin activities. Some commenters agreed that the part 3 bank capital rules are not relevant for national trust banks, but that this issue should be proposed separately from implementation of GENIUS rules due to the potential magnitude of the shift for national trust banks. National trust bank commenters noted that attempting to bifurcate internal records between stablecoin and non-stablecoin activities to apply both capital frameworks would be the most burdensome and least favored option.

After reviewing comments, the OCC has decided to allow all uninsured national trust banks to adopt the GENIUS Act regulatory capital and operational backstop requirements instead of following the capital requirements in 12 CFR part 3, regardless of whether the national trust bank issues a payment stablecoin. The OCC agrees with commenters that attempting to bifurcate the regulatory capital frameworks that apply to stablecoin activities and non-stablecoin activities would be overly burdensome for national trust bank issuers. Preventing national trust banks that do not issue stablecoins from opting in to the new framework could create an uneven competitive environment for trust banks engaged in similar activities, while restricting these banks to only GENIUS-authorized activities could present significant business disruptions, as numerous OCC national trust banks are or plan to engage in stablecoin programs prior to adoption of this final rule. The OCC has issued reservation-of-authority letters to numerous trust banks addressing regulatory capital requirements under 12 CFR part 3 for stablecoin programs. These letters note that to the extent a final rule implementing the GENIUS Act presents a different capital treatment for stablecoin reserve assets than in 12 CFR part 3, those requirements would control notwithstanding the reservation in the letters. Therefore, existing national trust banks could face significant capital charges and business disruptions if they are not allowed to elect to use the GENIUS Act framework.

The OCC is limiting the option only to uninsured national trust banks, as all insured depository institutions must comply with the prompt corrective action framework in 12 CFR part 6, which is tied into the capital requirements in 12 CFR part 3.

A national trust bank that makes this election must follow all of the GENIUS capital requirements (including ongoing minimum capital assessments, operational backstop requirements, and intangible asset and deferred tax asset deductions), which may be more conservative for trust banks that do not issue stablecoins. In order to make this election, the national trust bank must submit a request for prior approval to the OCC with supporting documentation for its initial minimum capital and operational backstop requirements, and the OCC will provide an approval or denial within 60 days of receiving a request. This process will allow the OCC to review the appropriateness of the national trust bank's capital requirements upfront to ensure the bank retains a stable capital base under the GENIUS framework and has developed procedures for ongoing capital assessments as required for permitted payment stablecoin issuers. After making an election, a national trust bank can choose to revert to 12 CFR part 3 without prior approval from the OCC by providing a notice to the applicable OCC supervisory office. While this rule helps address capital requirements for national trust banks in connection with the GENIUS Act, in the future the OCC may revisit the regulatory capital framework for all national trust banks in line with commenter feedback to provide a more robust and comprehensive proposed alternative to application of 12 CFR part 3.

The OCC plans to propose revised regulatory reporting for national trust banks that elect the GENIUS capital framework to allow these trust banks to report their capital position and requirements in lieu of existing regulatory capital reporting in Schedule RC–R of the Call Report.

Stablecoin Capital

One commenter requested that the OCC consider adopting a capital framework for stablecoins held by banks in order to provide more clarity to the industry. The proposed rule did not address the regulatory capital treatment of stablecoins that are held by national banks or Federal savings associations. Therefore, the request is outside the scope of this rulemaking. The OCC plans to address the capital framework for digital assets, including stablecoins, as part of a separate rulemaking project.

6. Amendment to Part 6

When calculating total assets for prompt corrective action purposes under 12 CFR part 6, the definition of *total assets* in § 6.2 of the rule specifies that certain assets deducted from capital are also deducted from total assets. Consistent with section 4(a)(4)(C)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(4)(C)(iii)) and the deductions and adjustments proposed to 12 CFR part 3, the OCC proposed a conforming amendment to also incorporate the deductions related to an insured national bank's or Federal savings association's ownership of a permitted payment stablecoin issuer when calculating total assets under 12 CFR part 6. As part 6 only applies to insured depository institutions, no adjustments are necessary for uninsured national trust banks.

The OCC received no comments on this proposed amendment and is adopting it as proposed.

F. Amendments to Part 8

1. Overview of Changes From Proposed Rule to Final Rule

The OCC is generally adopting subpart A of 12 CFR part 8 substantially as proposed, with certain modifications described below.

The OCC is finalizing § 8.2(a)(5), (b)(2), (c)(1), (c)(2) through (c)(3), and (c)(5) as proposed except for an updated cross-reference in § 8.2(a)(5). These were the only paragraphs proposed and are the only paragraphs being finalized in § 8.2(a) through (c).

The OCC is finalizing § 8.2(e) with changes. First, the final rule does not include proposed § 8.2(e)(2). An approach related to but distinct from proposed § 8.2(e)(2) is in the new section of the final rule at § 8.7. Because of this change, proposed § 8.2(e)(1) is being renumbered as § 8.2(e). Second, the word ''minimum'' that appeared several times in proposed § 8.2(e)(1) is being removed throughout final § 8.2(e). There are several minor conforming edits to reflect this change, and the addition of quotation marks around the name of a notice for the sake of consistency. Third, the phrase ''thirty-five percent, or such other percentage (up to fifty-five percent)'' in proposed § 8.2(e)(1)(ii) is being finalized as ''35 percent, or such greater percentage (up to 55 percent).'' Fourth, final § 8.2(e)(2) includes the following text in the language proposed at § 8.2(e)(1)(ii): ''To calculate the reserve asset assessment discount, the OCC will use the reserve assets shown on Schedule B of the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date.'' Fifth, references to ''stablecoin issuer'' have been replaced with the defined term ''permitted payment stablecoin issuer'' for clarity.

The OCC is finalizing § 8.6 as proposed except for minor technical edits.

The final rule includes a new § 8.7. As mentioned above and described in detail below, this addition relates to what was proposed as § 8.2(e)(2) and concerns the assessment calculation if a national bank's or Federal savings association's total assets reported on that institution's Call Report do not reflect any assets that a permitted payment stablecoin issuer reports on Schedules B or C of the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date.

The OCC is finalizing § 8.9 as proposed.

The OCC is finalizing § 8.10(a) as proposed with changes. First, final § 8.10(a) removes the proposal's reference to foreign payment stablecoin issuers. Second, final § 8.10(a) includes technical corrections, such as the capitalization and the heading in Table 1. Third, final § 8.10(a)(5) replaces the proposed ''assets shown on the most recent quarterly report'' with ''assets shown on Schedule B of the most recent quarterly report.'' Fourth, final § 8.10(a)(6)(i) removes the following proposed language: ''To the extent the assets reported by an institution subject to this section on its quarterly report reflect the minimum stablecoin reserve assets that a stablecoin issuer must hold under 12 U.S.C. 5903.'' Fifth, references to the term ''stablecoin issuer'' in § 8.10(a)(6) have been replaced with ''permitted payment stablecoin issuer.'' Sixth, final § 8.10(a)(6)(i) makes edits that conform with the above-described edits to § 8.2(e): the removal of ''minimum,'' the substitution of ''other'' with ''greater,'' the removal of proposed § 8.10(a)(6)(ii) (the equivalent of proposed § 8.2(e)(2)), and edits to conform with those changes.

The OCC is finalizing § 8.10(b) with changes. The OCC has replaced the term ''stablecoin issuer'' with ''permitted payment stablecoin issuer.'' In § 8.10(b)(1), the final rule uses ''at its most recent examination prior to December 31 or June 30, as appropriate, to be in less than satisfactory condition'' where the proposed rule used ''at its most recent examination to be a problem institution and require rehabilitation.'' In § 8.10(b)(2), the final rule uses ''was found at its most recent examination prior to December 31 or June 30, as appropriate, to be in deficient or critically deficient condition'' where the proposed rule used ''to have material financial or operational deficiencies that threaten the viability of the institution at its most recent examination prior to December 31 or June 30, as appropriate.''

The OCC is finalizing § 8.11 as proposed with changes. In § 8.11(a), the final rule includes the addition of '', as reflected on the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date.'' In § 8.11(a)(2), the OCC is adding ''Schedule C of'' so the text reads ''as reflected on Schedule C of the most recent report.'' In § 8.11(b), the OCC revised the text in line with the above-described edits to § 8.10(b).

The OCC is finalizing § 8.12 as proposed except for the addition of ''including foreign payment stablecoin issuers subject to the OCC's jurisdiction'' to § 8.12(a) and a technical correction to the name of a fee schedule.

The OCC is finalizing § 8.13 as proposed except for two changes. First, final § 8.13(a) corrects ''All institutions'' to ''Any institution.'' Second, there is a new § 8.13(d) that parallels § 8.7 of the final rule (described above).

2. Background and Overview of the Proposed Amendments

As described in the proposal, the OCC funds the activities it undertakes to carry out its supervisory responsibilities through assessments on institutions regulated by the OCC.[187] The OCC is

[187] The National Bank Act authorizes the OCC to impose assessments on national banks and Federal branches and agencies. *See* 12 U.S.C. 16, 481, and 482. The Home Owners' Loan Act, as amended, authorizes the OCC to impose assessments on Federal savings associations. *See* 12 U.S.C. 1467.

authorized to collect assessments, fees, and other charges to meet the agency's expenses in carrying out authorized activities.[188] In setting assessments, the Comptroller has broad authority to consider variations among institutions, including the nature and scope of the activities of an institution, the amount and type of assets that the institution holds, the financial and managerial condition of the institution, and any other factor the Comptroller determines appropriate.[189]

The OCC collects assessments from OCC-supervised institutions pursuant to 12 CFR part 8.[190] Under current part 8, the base assessment for each national bank and Federal savings association is calculated using a table with eleven categories, or brackets, each of which comprises a range of asset-size values. The formula used to calculate an assessment for each national bank and Federal savings association is the sum of a base amount, which is the same for every institution in its asset-size bracket, plus a marginal amount, which is computed by applying a marginal assessment rate to the amount in excess of the lower boundary of the asset-size bracket.[191] The marginal assessment rate declines as asset size increases, reflecting economies of scale in the OCC's supervision activities.[192]

The OCC's annual Notice of Office of the Comptroller of the Currency Fees and Assessments (Notice of Fees) sets forth the marginal assessment rates applicable to each asset-size bracket for each year,[193] as well as other assessment components and fees.[194]

The OCC determined in the proposed rule that collecting assessments in connection with the GENIUS Act activities of OCC-supervised institutions is necessary and appropriate to facilitate the OCC's functions under the Act and conforms with the agency's assessment authorities. The OCC's supervisory responsibilities under the Act include licensing and registration decisions for certain nonbank payment stablecoin issuers, and monitoring compliance with reserve requirements and other applicable laws and regulations relating to stablecoin activities. To that end, the OCC proposed to amend part 8 to create subparts A and B. As described in the proposal, the proposed reorganization of part 8 into subparts reflected the fact that the powers and structures of the institutions subject to OCC supervision solely under the GENIUS Act often differ from those of the entities to which the existing part 8 applies.

Subpart A, as proposed, applied principally to national banks and Federal savings associations and included assessments related to payment stablecoin-issuing uninsured national banks—a type of Federal qualified payment stablecoin issuer—and payment stablecoin-issuing subsidiaries of insured national banks and Federal savings associations (*i.e.,* insured depository institutions). The subpart consisted of existing provisions relating to the assessment of national banks and Federal savings associations, with proposed amendments to clarify how these provisions will be applied with respect to new activities that these institutions undertake pursuant to the GENIUS Act. In particular, the OCC proposed to amend existing § 8.2 to include special rules governing the treatment of assets attributable to minimum stablecoin reserve assets under 12 U.S.C. 5903 when calculating an institution's semiannual assessment. Under these rules, the OCC proposed to apply the existing asset-based formula to those assets reflecting minimum stablecoin reserve assets, except that it then would reduce the resulting amount by 35 percent, or by such other percentage (up to 55 percent) that the OCC may deem appropriate for minimum stablecoin reserves held by national banks and Federal savings associations, based on its experience supervising stablecoin issuers.

Subpart B, as proposed, adopted a structure for assessments on institutions newly subject to OCC jurisdiction under the GENIUS Act that are not subject to assessments under subpart A—*i.e.,* nonbank entities and certain State qualified payment stablecoin issuers. Proposed § 8.9 clarified that the OCC would impose assessments on certain Federal, Foreign, and State qualified payment stablecoin issuers for GENIUS Act-related activities pursuant to the authority contained in 12 U.S.C. 93a, 481, 482, and 5901 *et seq.* Proposed § 8.10 set forth the OCC's methodology for the primary assessment of GENIUS Act-related activities of the institutions described therein and in general incorporated the same structure and asset-based formula used to impose assessments on national banks and Federal savings associations under § 8.2. Proposed § 8.11 set forth the OCC's methodology for separately assessing certain institutions in connection with their GENIUS-Act-permitted custodial and safekeeping activities. Proposed § 8.12 described special fees and assessments in connection with the GENIUS Act-related activities of institutions covered under subpart B. Finally, proposed § 8.13 covered payment of interest on delinquent assessments and examination and investigation fees.

3. Comments on the OCC's Overall Assessment Methodology

Proposed amendments to part 8 reflect the agency's preliminary conclusion that the existing assessments regime applicable to national banks and Federal savings associations would adequately and appropriately ensure that the OCC could fund the activities it undertakes to carry out its statutory obligations under the GENIUS Act. An important element of that existing regime is the agency's reliance on asset-based assessment formulas to determine an institution's semiannual assessments. The agency requested comment on whether there is reason to believe that the existing assessment structure in § 8.2, as amended, or the proposed assessment structure under subpart B would not adequately and appropriately enable the OCC to fund its supervisory activities in connection with institutions' GENIUS Act-related activities. The agency further asked whether it should consider imposing assessments based on different or additional measurements to account for increased supervision activities it will undertake in connection with supervising the GENIUS Act-related activities of these institutions.

The OCC received several comments relating to this request and, more generally, the OCC's adoption of an assessment framework with a significant asset-based component. One set of commenters agreed that the proposed framework, as modified in the proposal, was an appropriate starting point to assess institutions for GENIUS Act-related activities and that it was premature to introduce any additional assessment measures. These commenters in general supported the OCC preserving flexibility to re-evaluate the framework after obtaining more experience supervising permitted payment stablecoin issuers. One commenter sought a commitment from the OCC to engage in a re-evaluation of the framework after several assessment cycles. Another argued that, if supervision of permitted payment

[188] *See* 12 U.S.C. 16, 481 and 482.

[189] 12 U.S.C. 16. *See also* 12 U.S.C. 1467(a) (providing that the Comptroller has the authority to recover costs of examination of Federal savings associations ''as the Comptroller deems necessary or appropriate'').

[190] Current part 8 covers assessments for national banks, Federal savings associations, and Federal branches and Federal agencies. For clarity, proposed subpart A as discussed below will cover the same institutions.

[191] 12 CFR 8.2(a).

[192] *See* 12 CFR 8.8(a) and notices published by the OCC thereunder.

[193] 12 CFR 8.2(a)(5)(i).

[194] 12 CFR 8.2(a)(4).

stablecoin issuers should prove more resource-intensive than anticipated, future adjustments should be modest, transparent, and structured in a manner to preserve the proposed discounted treatment of reserve assets. In this latter respect, this commenter argued that any future adjustment should reflect the commenter's view that the supervisory risks associated with permitted payment stablecoin issuers do not scale linearly with balance sheet size in the way such risks might for traditional banks.

Conversely, other commenters argued that basing assessments primarily on stablecoin issuance value, rather than assets, would more accurately reflect a permitted payment stablecoin issuer's level of activities and therefore the OCC's supervisory expenses. They argued that an issuance-based approach would be less operationally complex and burdensome for issuers.

Finally, one commenter observed that, because supervisory complexity may extend beyond reserve balances, an operational complexity factor may complement asset-based measures when calibrating supervisory resources. The commenter opined that relevant factors could include the number of supported blockchains, cross-chain exposure, transaction velocity, custody model complexity, third-party dependency density, and incident frequency and severity.

After reviewing the comments, and as described in further detail below, the OCC concludes that the existing assessments regime applicable to national banks and Federal savings associations, as amended by this final rule, adequately and appropriately ensures that the OCC can fund the activities it undertakes to carry out its statutory obligations under the GENIUS Act. The OCC has for decades assessed national banks and Federal savings associations based primarily on an asset-based formula, notwithstanding the numerous innovations and novel product offerings by these institutions over that period. The agency's experience has confirmed its view that, with few exceptions, asset-based assessments are an accurate, equitable, product-neutral method of ensuring the OCC can fund the activities it undertakes to carry out its statutory obligations. Commenters have not articulated persuasive arguments for why the existing methodology, as modified here, is inappropriate, inaccurate, or otherwise unduly burdensome.

An issuance-based assessment methodology, by contrast, risks significant under-assessment. As commenters appear to acknowledge, a stablecoin issuer may engage in certain GENIUS Act-related activities subject to OCC supervision that would not be accounted for in an issuance-based formula but that would be accounted for under the proposed asset-based formula. While supervision of these activities may not contribute to the bulk of the OCC's supervisory expenses, at least in the ordinary case, they could be a meaningful cost contributor. For example, stablecoin issuers may have balance sheet assets to pay the blockchain network fees known as gas fees, and issuers with certain business models may have balance sheet assets from the receipt of other transaction-based fees. While an issuance-based assessment would overlook these assets, an asset-based assessment would reflect this aspect of the issuer's operations. It would be imprudent to adopt an assessment methodology that does not take these activities into account, especially where the agency's methodology would result in materially the same assessment as an issuance-based assessment for those issuers not engaged in such activities.

The OCC also disagrees with commenter suggestions that an asset-based assessment would impose meaningfully greater operational burden on institutions, as compared to an issuance-based assessment. These commenters argued that an issuance-based regime would free them from having to calculate the amounts of assessments due on reserve and non-reserve assets separately. They also argued that asset-based assessments would present challenges for issuers maintaining separate trusts to hold reserve assets for different brands of stablecoin as such issuers would need to calculate assessments due on the reserve assets for each stablecoin brand. As a threshold matter, the OCC clarifies that the agency will perform the accounting for assessments due on reserve and non-reserve assets, not issuers. Moreover, section 4(a)(1)(A) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)) separately requires permitted payment stablecoin issuers to maintain identifiable reserves backing their outstanding payment stablecoins on at least a 1 to 1 basis. Consequently, permitted payment stablecoin issuers are statutorily required to identify which of their assets constitute reserves for reasons unrelated to assessments.

The OCC generally agrees with commenters that the cost of supervising the bulk of an issuer's non-custodial GENIUS Act-related activities is likely to be meaningfully lower than the cost of supervising more traditional activities conducted by national banks and Federal savings associations. But the proposed, and now final, rule takes this distinction into account by meaningfully discounting assessments on reserve assets attributable to issuances. And, as discussed, commenters are incorrect to the extent they argue that an issuance-based model would more accurately reflect the cost of OCC supervision because it would more accurately reflect an issuer's level of activities.

The OCC has considered the international comparisons made by one commenter and alternative assessment frameworks, which in general rely on activities-based cost models to estimate total supervisory costs or on flat, fixed fees per licensee. However, the OCC does not view any of these alternative frameworks as superior to the framework that the agency now finalizes. Supervisory experience strongly suggests that a flat, fixed-fee assessment framework, while providing a degree of operational simplicity, would introduce a significant risk of under- or over-assessment that could undermine the agency's goal of adequately funding the activities it must undertake to carry out its statutory obligations under the GENIUS Act while not imposing undue burden. That risk of under-assessment would be especially high in the early years of GENIUS Act implementation, during which the agency would have limited historical data on which to base flat fees and supervisory costs could be especially high, as explained elsewhere.

An activities-based cost model, on the other hand, would introduce significant operational complexity, and it would be difficult to design without the benefit of more precise information on costs of supervising permitted payment stablecoin issuers. More importantly, the OCC has no reason to believe that an activities-based cost model would perform materially better than the existing framework at appropriately approximating and allocating the overall cost of supervising OCC-regulated entities, and it received no information or evidence in public comments to suggest otherwise. The OCC also is concerned that activities-based cost models have the potential to introduce substantial regulatory uncertainty as to assessment amount and could potentially result in significant swings in assessment fees reflecting changes in the market, regulatory environment, or even the pool of entities subject to OCC supervision.

The OCC also disagrees with a central premise asserted by the commenter, which, in summary, is that the proposed framework inappropriately scales linearly or mechanically the size of

assessments to an issuer's market growth. As discussed in further detail below, the OCC anticipates that supervisory costs in general *likely will* scale with the growth of an issuer's balance sheet assets, as a growing balance sheet will likely correspond to increases in the operational, management, and compliance-related complexities that in turn will increase the OCC's supervisory expenses. However, contrary to the commenter's assertions, the OCC's asset-based formulas now and under this final rule are regressive: marginal rates applied to an issuer decline as the issuer climbs the different asset tiers reflected therein.

Finally, with respect to one commenter's concern that supervisory complexity may extend beyond the size of reserve asset balances, the OCC in general agrees, but it also believes that the existing asset-based formula as modified by this final rule should already adequately account for that complexity. The agency is also concerned that it lacks sufficient data at this early stage to assess with a meaningful degree of confidence whether an additional assessment element focused specifically on operational complexity is necessary or even administrable.

The OCC will gain significant experience supervising permitted payment stablecoin issuers during the first several years of GENIUS Act implementation and plans to monitor the application of the final assessment framework to ensure that it adequately and appropriately funds the activities that the agency undertakes to carry out its statutory obligations. This monitoring includes, among other things, periodically comparing the agency's expenses in supervising GENIUS Act-related activities to its related assessment revenue to ensure that no class of institution is unduly or disproportionately burdened by the final assessment framework. To the extent practical and appropriate, the agency may also solicit feedback from affected institutions. Should the agency determine that assessments may require adjustment, or that changes may be needed to the framework itself, the OCC can address these issues either in the annual Notice of Office of the Comptroller of the Currency Fees and Assessments, pursuant to § 8.8, or through a subsequent rulemaking, depending on the nature of the potential adjustment then contemplated.

4. Subpart A—Assessment of National Banks and Federal Savings Associations

The OCC proposed establishing a new subpart A incorporating the existing provisions of part 8 with targeted modifications to address assessments for GENIUS Act-related activities in which national banks and Federal savings associations may engage. As a reflection of this, the OCC proposed amending § 8.1 to add 12 U.S.C. 5901 *et seq.,* the GENIUS Act, as an authority pursuant to which the OCC imposes assessments on permitted payment stablecoin issuers for GENIUS Act-related activities. As described in the discussion below, the OCC will finalize subpart A substantially as proposed, with certain modifications to reflect commenter feedback.

a. Section 8.2—Semiannual assessment

Under existing § 8.2, the OCC collects assessments for national banks, Federal savings associations, and Federal branches and agencies on a semiannual basis, with fees due by March 31 and September 30 (payment due dates) of each year for the six-month period beginning on January 1 and July 1 before each payment due date.[195] Each semiannual assessment is based on the total consolidated assets shown in the institution's most recent ''Consolidated Reports of Condition and Income'' (Call Report) preceding the payment date.[196] Section 8.2 and the Table included therein set forth methodologies and rates used to calculate the semiannual assessment paid by each national bank and Federal savings association.

The OCC proposed several adjustments to current § 8.2 to account for the GENIUS Act-related activities of national banks and Federal savings associations. First, the OCC proposed special rules governing the treatment of assets attributable to minimum stablecoin reserve assets under 12 U.S.C. 5903. Under proposed § 8.2(e)(1), to the extent the assets reported by the national bank or Federal savings association on its Call Report reflect the minimum stablecoin reserve assets that a stablecoin issuer must hold under 12 U.S.C. 5903, the semiannual assessment for such institution would be calculated in two parts. The OCC first would use the existing formula set forth under § 8.2(a) to determine the institution's semiannual assessment attributable to assets other than those reflecting minimum stablecoin reserve assets. The OCC next would apply the same formula to those assets reflecting minimum stablecoin reserve assets, except that it would reduce the resulting amount by 35 percent, or by such other percentage (up to 55 percent) that the OCC may deem appropriate for minimum stablecoin reserves held by national banks and Federal savings associations, based on its experience supervising stablecoin issuers. The OCC would publish the percentage reduction deemed appropriate for minimum stablecoin reserve assets on an annual basis in the Notice of Fees. An institution's semiannual general assessment fee would be the sum of the two figures above.[197]

The OCC considered whether to propose a larger baseline discount for required stablecoin reserve assets and recognizes that it may be appropriate over time for the agency to discount assessments on required stablecoin reserve assets by more than the baseline 35 percent. However, the agency explained that it expected to commit more resources to supervising GENIUS Act-related activities in the first several years following passage of the GENIUS Act as institutions and the OCC adapt to the exercise and supervision of new GENIUS Act powers. Additionally, the OCC anticipated that the new powers granted under the GENIUS Act may result in many new de novo chartered institutions, which typically require heightened supervision in the early years of such institutions. To address potential differences in the OCC's immediate- and longer-term supervisory commitments in connection with GENIUS Act-related activities, the proposed rule provided the OCC with sufficient flexibility to annually adjust the discounted rate to reflect changes in the overall share of the supervisory burden attributable to the GENIUS Act-related activities of national banks and Federal savings associations.

The OCC also considered in the proposal whether to also include a mechanism to account for permitted payment stablecoin issuers that hold reserve assets above the minimum—*i.e.,* reserve assets that a stablecoin issuer voluntarily maintains in excess of the minimum stablecoin reserve assets it must hold under 12 U.S.C. 5903. The agency explained that extending the proposed discount to reserve assets above the minimum—or excluding them altogether from assessment—could be appropriate, especially if a different course were likely to meaningfully disincentivize voluntarily holding reserve assets above the minimum.

[195] 12 CFR 8.2(a) and 8.2(b)(1).

[196] 12 CFR 8.2(a)(5)(i) and 8.2(b)(3).

[197] For clarity, final § 8.2(e)(2) is amended to say that, to calculate the reserve asset assessment discount, the OCC will use the reserve assets shown on Schedule B of the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date. This addition is simply to clarify the source of the reserve asset inputs for the assessment calculation. Other sections of the final rule, such as final § 8.2(e)(2), and § 8.7(d), also use these quarterly filings.

However, the agency determined that it lacked reliable information or evidence to suggest that assessing stablecoin reserve assets above the minimum at undiscounted rates would meaningfully influence an issuer's business judgment on whether and to what extent it should hold on-balance-sheet stablecoin reserves above the minimum. Additionally, while the OCC did not wish to disincentivize holdings above the minimum, the agency expressed initial concern that extending the proposed discount to reserves above the minimum might encourage some institutions to mischaracterize the status of certain on-balance-sheet assets as reserves to minimize their overall assessment. Nevertheless, the OCC sought comment on whether it should extend the reserve asset discount to holdings above the minimum and, if it did, whether to cap the discount at an amount equal to between 1 and 5 percent of required reserves. This range of 1 to 5 percent reflected the agency's understanding that current stablecoin reserve asset holdings above the minimum typically occur within this range.

The OCC received several comments on its proposal to discount assessments on assets attributable to required stablecoin reserves, including on whether it should have a mechanism to account for reserve asset holdings above the minimum.

One commenter stated that reserve assets backing payment stablecoins are fundamentally different from traditional bank assets such that the supervisory complexity is substantially reduced with regard to these reserve assets. The commenter stated that under the GENIUS Act's required 1 to 1 reserve requirement, issuers hold high-quality liquid assets that pose minimal credit risk and do not require loan-loss provisioning, underwriting decisions, or complex valuations. Rather, they are passive, transparent holdings verifiable through automated systems and monthly attestation reports, while traditional bank supervision requires intense examination of credit portfolios, loan classifications, borrower financial conditions, collateral valuations, and complex management frameworks. The commenter stated that the marginal cost to the OCC of supervising an additional billion dollars in passive Treasury holdings is substantially lower than for an equivalent amount of commercial loans or other credit products. The commenter stated that the proposed 35 percent discount implies that supervising stablecoin reserves requires 65 percent of the resources of traditional bank assets, posited that this does not adequately account for the supervisory burden, and urged the OCC to adopt the proposed maximum discount of 55 percent.

Separately, a comment addressed the possibility of an assessment discount in the context of stablecoin issuers holding more reserve assets than are strictly required. In the proposal, the OCC had asked about mechanisms to account for such holdings above the minimum, such as assessment discounts. The comment explained a framework to incentivize reserve asset holdings above the minimum and structure such holdings. Rather than employing assessment discounts that could give entities a reason to mischaracterize balance sheet assets as reserve assets above the minimum, the comment suggested a mechanism that would tie the holding of reserve assets above the minimum to a higher ceiling on the portfolio weighted average maturity. Such a mechanism, the comment argued, would avoid the agency's well-founded concern about mischaracterization.

In the final rule, the OCC is adopting the discount methodology as proposed and as described above (with the below-described removal of the word ''minimum''). For the portion of stablecoin issuer assessments that are attributable to the stablecoin reserve assets, the final rule sets a 35 percent discount on the asset-based assessment. Additionally, the final rule describes how the OCC will publish updates to the percentage reduction (up to a 55 percent reduction) annually. Whereas the proposed rule would allow the agency to deem some percentage ''other'' than 35 percent (up to a 55 percent reduction) as appropriate, the final rule clarifies that 35 percent is the lower limit on potential discounts by allowing the agency to deem some percentage ''higher'' than 35 percent (up to a 55 percent reduction) as appropriate. As in the proposal, no discount applies to the portion of stablecoin issuer assessments for assets other than stablecoin reserve assets.

As the OCC explained in the proposal, a 35 percent discount for stablecoin reserve assets reflects the OCC's judgment that the cost of supervising non-custodial GENIUS Act-related activities is likely to be meaningfully lower than the cost of supervising more traditional activities conducted by national banks and Federal savings associations. The GENIUS Act limits the stablecoin-related activities in which issuing institutions may engage, and certain of these newly authorized GENIUS Act-related activities may present lower risks to participating institutions and the Federal banking system than certain traditional banking activities. Notably, the GENIUS Act significantly restricts the composition of, and the permissible activities in connection with, required stablecoin reserves. The OCC continues to believe these limitations warrant treating stablecoin reserve assets differently for assessment purposes than existing, on-balance-sheet assets attributable to more traditional banking activities.

However, in the absence of stronger empirical evidence of its supervisory costs, the OCC believes it is premature to conclude that these factors would support providing discounts larger than 35 percent on reserve assets at this time. While the OCC generally agrees with commenters that the cost of supervising certain GENIUS Act-related activities likely will be lower than supervising certain activities of traditional banks and Federal savings associations, the permissible GENIUS Act-related activities of an issuer overall can still present significant operational, organizational and management, and compliance-related complexities and risks (including, for example, liquidity and AML/CFT risk management and monitoring). And, as discussed in further detail below, the OCC anticipates that growth in the scale and scope of permitted payment stablecoin issuers will correspond with increases in their overall complexity and risk profile, in turn increasing the resources the OCC will need to commit to their supervision. Aside from reserve assets, much of this complexity and risk is not directly reflected on the balance sheet of a permitted payment stablecoin issuer.

Taking into account these considerations, while acknowledging limits in the OCC's ability to predict with precision the extent of those complexities, the agency continues to believe that a baseline 35 percent discount is the best approximation of the expected marginal increase in its overall supervisory costs attributable to GENIUS Act-related activities. As described in the proposal, that baseline derives from the median discount currently provided on a per-asset basis to all custodial assets under existing § 8.6(c) relative to the median per-asset assessment charge for non-custodial assets under existing § 8.2(a). In addition, that baseline reflects the OCC's view that certain GENIUS Act-related activities are likely more complex than traditional custodial banking activities, and this complexity will likely impose a greater economic impact on the OCC's overall supervisory burden than supervising traditional custodial banking activities. To account for this reasoning, the final baseline

discount for required stablecoin reserve assets is set at an amount equal to approximately half of the existing median discount assessed on custodial assets under § 8.6(c).

While the agency finalizes a baseline 35 percent discount, as noted, the final rule will permit the OCC to annually adjust the discount on reserve assets, up to 55 percent, if the agency determines in the future that a higher discount would more appropriately reflect the cost of supervising permitted payment stablecoin issuers. Specifically, subsequent to the effective date of this rule, the OCC will publish the discount as the rule describes. In preparing these publications, the agency anticipates reviewing the costs and complexity of supervising permitted payment stablecoin issuers as a group to determine the appropriate discount on reserve assets within the range finalized. The agency more generally will monitor supervisory cost data as it becomes available to determine whether any additional modifications or revisions to part 8 are needed to account for GENIUS Act-related supervision.

As described above, one commenter was concerned that an assessment discount would lead to mischaracterization of balance sheet assets as reserve assets. This discussion was tied to the commenter's discussion of a framework for reserve asset holdings above the minimum, and such holdings above the minimum are discussed below. The commenter did not challenge the proposed assessment discount for the minimum stablecoin reserve assets required under the GENIUS Act, 12 U.S.C. 5903. The OCC is not revising the proposed rule's general approach to assessment reductions in light of the commenter's concern about discounting assessments on reserve asset holdings above the minimum. Whatever benefits may exist in the commenter's suggested framework, the commenter did not offer the framework as a comprehensive substitute for all assessment reductions. The above-described assessment reduction in the final rule is appropriate given the anticipated supervisory burden and the need for adaptability over time.

The OCC also received several comments in response to questions on its approach to assessing for reserve asset holdings above the minimum. Most commenters urged the OCC not to penalize holdings above the minimum through unfavorable assessment treatment. One commenter stated that if an issuer chooses to maintain reserve assets above the required minimum, the assessment framework should not create disincentives for that prudent choice. The commenter stated that voluntary excess reserves can serve as an additional buffer and may reflect conservative risk management, and therefore the OCC should be careful not to inadvertently discourage such practices. Another commenter stated that it would be a mistake to penalize the holding of reserve assets above the minimum because additional high-quality liquid assets held above the 1 to 1 requirement would provide extra cushion against redemption stress without adding complexity, so this practice would reduce, rather than increase, the OCC's supervisory risk. The commenter argued that assessing those incremental reserves at the full, undiscounted rate would treat them as if they imposed proportional supervisory burden when in practice the marginal risk is close to flat or negative.

As mentioned above, some commenters raised concerns related to permitted payment stablecoin issuers holding reserve assets above the minimum. The proposed rule acknowledged the possibility that assessment discounts could encourage asset mischaracterization with the goal of lowering total assessments. A few commenters stated that this concern is well-founded and that if the agency extends assessment relief to voluntary excess reserves, relief should only apply to clearly identified and independently verifiable excess reserves. However, these commenters stated that the OCC could institute guardrails to protect against mischaracterization, such as imposing the same segregation, identification, and recordkeeping standards that apply to required reserves. One commenter argued that there is no opportunity for issuers to mischaracterize reserve assets because, given the requirement that issuers must certify and publish reserve asset coverage, once an issuer allocates assets as reserves, those assets are not ''mischaracterized'' because they will automatically become part of the pool available to support redemptions for the benefit of holders.

Separately, one commenter offered a framework for incentivizing and structuring reserve asset holdings above the minimum without an assessment reduction. In short, this framework would revolve around the percentage of total short-term Treasury securities outstanding as compared to the amount of short-term Treasury securities plus the notional amount of reverse repos in the hands of permitted payment stablecoin issuers. If the concentration percentage crosses predetermined levels, permitted payment stablecoin issuers with reserve assets above their minimums would be permitted to extend their portfolio weighted average maturity or avoid redemption gating (depending on the level the percentage crosses). In response to a related question from the OCC, some commenters also generally supported providing a capped carve-out for a reasonable band of reserve asset holdings in excess of the minimum (*e.g.,* 1 to 5 percent above required reserves) so that issuers are not discouraged from conservative risk management or from extending the general discount to all reserve assets.

The final rule extends the assessment reduction to reserve asset holdings above the minimum as well by removing the word ''minimum'' such that the assessment reduction applies to stablecoin reserve assets held under 12 U.S.C. 5903. Two factors impact the agency's decision-making in this respect. First, the OCC is persuaded by comments that holdings above the minimum can contribute to a reduction in overall supervisory risk, insofar as holdings above the minimum may reflect an issuer engaging in appropriate and conservative risk management decisions. Holding reserve assets above the minimum, for example, could provide necessary liquidity for certain issuers in the event of market volatility and thereby lower the risk of a loss of value for the payment stablecoin holders. The agency is also persuaded by comments that in fact assessing excess reserves at a higher assessment rate may discourage holding more reserve assets than the minimum requires.

Second, the OCC has concluded that the supervisory process should be able to promptly identify and address any mischaracterization of certain balance sheet assets as excess reserve assets. Examiners will be aided in this respect by the OCC's final rule and information collection, which will require stablecoin issuers to apply the same segregation, identification, and recordkeeping requirements to report assets designated as reserve assets, regardless of whether they are required reserve assets or excess reserve assets. Compared to other approaches for addressing the risk of mischaracterization (*e.g.,* the commenter's framework tracking outstanding short-term Treasury securities), the planned supervisory process is expected to be comparably effective and administratively simpler. Additionally, the OCC anticipates that limiting reserve asset withdrawal as provided in § 15.11(a)(4) further disincentivizes any attempt to misclassify assets as excess reserves

solely to obtain lower assessment fees. Consequently, the OCC believes the risks associated with an assessment reduction for reserve assets above the minimum are lower than some commenters indicated.

Other commenter suggestions to reduce incentives to mischaracterize assets are not likely more effective and would create undue supervisory burdens on the agency or stablecoin issuers or unnecessarily increase the complexity of the regulatory framework by increasing assessments' interconnectedness with other aspects of GENIUS Act implementation. The agency therefore is finalizing § 8.2(e) without limiting the assessment reduction to minimum stablecoin reserves. The agency is also finalizing the subsection without capping the allowable assessment discount on reserve assets attributable to reserve asset holdings above the minimum. While the OCC understands that current stablecoin reserve holdings above the minimum typically occur within the range of 1 to 5 percent of required reserves, the agency cannot conclude with a high degree of confidence that holdings more than 5 percent above the minimum are or will remain atypical as the market develops. The agency similarly cannot conclude with confidence that the potential benefits of holdings above the minimum cease to continue outside of the range of 1 to 5 percent of required reserves. The OCC therefore concludes that the most prudent course is to extend the assessment reduction for reserve assets to all reserve asset holdings above the minimum and monitor the marketplace and actions by issuers for developments that might support the introduction of a cap at a later date.

The OCC separately proposed to clarify in § 8.2(e)(2) that, if, for any reason, a national bank's or Federal savings association's total assets reported on that institution's Call Report do not reflect the minimum stablecoin reserve assets that a stablecoin issuer must hold under 12 U.S.C. 5903 and the proposed implementing regulations, the OCC shall increase the assessment calculated under the subsection. The increased assessment amount would reflect the difference between the amount of stablecoin reserve assets reflected on the institution's Call Report and the minimum required stablecoin reserve assets for the amount of outstanding stablecoin issuances that the institution reports pursuant to § 15.14(i). While the OCC anticipates that Call Reports of issuing national banks and Federal savings associations will ordinarily reflect all non-custodial assets attributable to stablecoins, including assets held in reserve to satisfy the institution's obligations under 12 U.S.C. 5903, proposed § 8.2(e)(2) would permit the OCC to address any potential under-assessment resulting from an institution's failure to ensure that it holds sufficient stablecoin reserve assets to meet its obligations under 12 U.S.C. 5903 and these proposed implementing regulations.[198]

The OCC requested comment on this provision and more generally on whether there was reason to believe that it would not receive all information necessary to impose assessments on each national bank or Federal savings association for GENIUS Act-related activities from existing Call Report data and the supplementary reports proposed in this notice. The OCC noted (for example) that it currently relies upon Schedule RC–T to capture the ''fiduciary and related assets'' upon which independent trust banks pay assessments under § 8.6(c), as discussed below, and it asked whether there is any reason to believe that the custodial or safekeeping assets attributable to the activities described in 12 U.S.C. 5901 *et seq.* would not be fully represented in Schedule RC–T. The OCC also sought comment on how best to ensure it received sufficient information to obtain full contributions of assessed amounts in the event the OCC permitted combinations of chartered and non-chartered institutions subject to the agency's jurisdiction to own a stablecoin-issuing subsidiary.

On the first issue, one commenter believed there was reason to be concerned about underreporting through Schedule RC–T because, in the commenter's view, the current instructions for that form direct an institution to exclude arrangements where the institution only provides operational or back-office services and does not itself hold the assets. The commenter suggested that because of uncertainty about what would be captured, and differences in the frequency of reporting by different institutions, a separate reporting mechanism was advisable. On the second issue, one comment argued that, given the operational difficulties of apportioning amounts *ex ante* across multiple regulated entities owning part of an issuer, the best solution would be entity-level reporting plus designated payer responsibility, backed by joint-and-several fallback liability. The commenter called for an entity-level consolidated stablecoin activity report reconciliation with the reports of owners, and that the ownership group should designate one responsible filer and payer for assessments. If that mechanism fails, the commenter suggests that the OCC should retain authority to recover any shortfall from one or more owners.

Taking these comments into consideration, the final rule provides that, if a national bank's or Federal savings association's total assets reported on that institution's Call Report are not consistent with the assets that a stablecoin issuer reports on Schedules B or C of the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date, the OCC may increase the assessment set forth in subpart A for such institution to fully reflect the amounts shown on the quarterly reports. Because this provision as revised would apply to the whole of subpart A, the OCC is placing this new provision in existing § 8.7, ''Payment of interest on delinquent assessments and examination and investigation fees.'' To be clear, except to the extent a reallocation appears to be the result of misreporting on the part of the institution, the OCC does not intend to treat reallocations under this new subsection as delinquent assessments subject to fees unless and until it has informed the institution of the reassessment and the institution has declined to pay the assessment by the date indicated.

The new subsection will leave the agency with discretion to determine whether and to what extent it is appropriate under the circumstances presented to reconcile Call Reports with Schedules B or C of the institution's most recent quarterly report. Although the OCC does not anticipate exercising this authority in the ordinary course, the agency believes that it is prudent to retain this discretion to ensure that its assessment formulas serve their intended purpose—to ensure that the agency can adequately and appropriately fund the activities that the agency undertakes overall to carry out its statutory obligations.

With these revisions, the OCC concludes that the final rule's reliance on Call Report data—when supplemented with information collected in quarterly reporting forms under § 15.14—will ensure assessment amounts appropriately reflect the GENIUS Act-related activities of

[198] Additionally, if a permitted payment stablecoin issuer's actual reserve amount is less than its required reserve amount, the OCC anticipates that the permitted payment stablecoin issuer may incur additional fees and charges under revisions to § 8.6 associated with (among other things) examinations conducted to understand and address the institution's reserve asset deficiencies.

permitted payment stablecoin issuers. Should the OCC permit combinations of chartered and non-chartered institutions subject to the agency's jurisdiction to own a stablecoin-issuing subsidiary, the OCC anticipates that the noted revisions to § 8.7 will enable the agency to quickly and effectively identify any potential information shortfall that could result in the agency failing to receive full assessment contributions from chartered institutions without imposing the type of operational difficulties that the commenter recommended avoiding.

Without expressing a view on the commenter's reading of the RC–T instructions, the OCC notes it has not experienced any material, assessment-related issues with the reporting of fiduciary and related assets and does not expect that to change with the introduction of GENIUS Act-related activities. Likewise, with respect to commenter concerns regarding uniformity in the frequency of RC–T form reporting, which the OCC has used in the assessment context solely in connection with the assessment of independent trust banks, the agency disagrees that existing reporting frequency poses a problem with respect to issuers. The OCC regularly monitors the sufficiency of data collection for a variety of purposes, and it has not experienced material issues related to the frequency of RC–T form reporting. Of course, if the OCC were to identify issues with the adequacy of RC–T form reporting, it could address those issues as appropriate.

The OCC further proposed amending § 8.2(b), which addresses the semiannual assessment imposed on Federal branches and agencies. As amended, § 8.2(b)(2) provides that the semiannual assessment imposed on Federal branches and agencies shall be computed using the same methodology and the same rates as national banks and Federal savings associations, though clarifying that only the total *domestic* assets of the Federal branch or agency will be subject to the assessment under § 8.2. This clarification reflects that the OCC ordinarily supervises only the domestic operations of Federal branches and agencies. The agency proposed language making clear that semiannual assessments for all institutions subject to subpart A *will* reflect all assets attributable to GENIUS Act-related activities (including minimum reserve assets), irrespective of whether those assets would be categorized as ''domestic'' assets.

The OCC did not receive any comments on this assessment as applied to Federal branches and agencies and is finalizing the provision as originally proposed.

Finally, the OCC proposed to amend § 8.2(c) to eliminate that subsection's additional assessment for independent credit card national banks and Federal savings associations where the on-balance-sheet assets attributable to non-custodial GENIUS Act-related activities of such institutions make the additional assessment unnecessary. An ''independent credit card'' national bank or Federal savings association is an institution that is (i) ''engaged primarily in credit card operations;'' and (ii) not affiliated with a ''full-service'' national bank or Federal savings association.[199] An institution is ''engaged primarily in credit card operations'' if it is either a bank described in section 2(c)(2)(F) of the Bank Holding Company Act (12 U.S.C. 1841(c)(2)(F)), or if the ratio of the institution's total gross receivables attributable to its balance sheet assets exceeds 50 percent.[200] A ''full-service'' institution is one that generates more than 50 percent of its income ''from activities *other than credit card operations or trust activities* and is authorized according to its charter to engage in all types of permissible banking activities.'' [201]

The OCC originally imposed the additional assessment in § 8.2(c), and the corresponding 50 percent threshold in the relevant definitional term, upon finding that the magnitude and the complexity of the business of independent credit card national banks and Federal savings associations were not fully reflected by the volume of assets reported on those institutions' balance sheets as of a particular date.[202] An independent credit card national bank's or Federal savings association's balance sheet was not, by itself, generally a meaningful measure of the resources that the OCC needed to expend to supervise these types of institutions, nor a fair measure of the value of the national bank charter to these enterprises. The OCC therefore adopted an additional assessment under § 8.2(c) for independent credit card national banks and Federal savings associations based on these institutions' ''receivables attributable'' (*i.e.,* the total amount of outstanding balances due on credit card accounts owned by the institution) as the measure of the volume of the institution's business. The additional assessment under § 8.2(c) ensures that assessments imposed on independent credit card national banks and Federal savings associations represent their fair share of the OCC's overall supervisory expenses.[203]

The OCC preliminarily concluded that the justification for imposing an additional assessment under § 8.2(c) is no longer present where the ratio of an institution's total gross receivables attributable to its balance sheet assets no longer exceeds 50 percent after accounting for on-balance-sheet assets attributable to GENIUS Act-related activities. In such instances, although the independent credit card institution may not qualify as a ''full-service'' institution, the agency expects that the additional on-balance-sheet assets attributable to the institution's GENIUS Act-related activities should suffice to ensure that the institution's assessment under § 8.2(a) adequately reflects the magnitude and complexity of the institution's overall business and represents its fair share of the OCC's overall supervisory expenses. The OCC therefore proposed to amend § 8.2(c) to provide that an independent credit card national bank or Federal savings association is not subject to an additional assessment under that subsection if the ratio of its total gross receivables attributable to its balance sheet assets no longer exceeds 50 percent after accounting for on-balance-sheet assets attributable to GENIUS Act-related activities. The agency further proposed to amend § 8.2(c) to require independent credit card national banks and Federal savings associations to report data related to their assets attributable to activities permitted under 12 U.S.C. 5901 *et seq.* to the OCC semiannually at a time specified by the OCC, as § 8.2(c)(4) currently requires for data related to off-balance sheet receivables, to ensure accurate accounting in calculating assessments.

The OCC did not receive any comments on either this definitional clarification or the reporting requirement supporting it and will finalize the provision as originally proposed.

b. Section 8.6—Fees for Special Examinations and Investigations

Section 8.6 is generally designed to allow the OCC to impose assessments on national banks, Federal branches or agencies of foreign banks, Federal savings associations, and related entities for supervisory expenses that, due to the complexity of the attributes of the underlying activity, are not adequately offset by the base assessment under § 8.2. The OCC proposed the following

[199] 12 CFR 8.2(c)(3)(vi) and (vii).

[200] 12 CFR 8.2(c)(3)(iii).

[201] 12 CFR 8.2(c)(3)(iv) and (v) (emphasis added).

[202] 66 FR 29890, 29890 (June 1, 2001).

[203] *Id.*

revisions to the existing § 8.6 to appropriately reflect the agency's increased supervisory activities relating to the GENIUS Act.

Specifically, the OCC proposed to revise existing § 8.6(c) to eliminate that subsection's additional assessment for ''independent trust'' national banks and Federal savings associations where the on-balance-sheet assets attributable to the non-custodial GENIUS Act-related activities of such institutions make the additional assessment unnecessary. Section 8.6(c) currently imposes an additional assessment on ''independent trusts'' in connection with their off-balance sheet ''fiduciary and related assets.'' The OCC adopted existing § 8.6(c) upon finding that—unlike ''full-service'' institutions that may exercise trust powers but that also engage in sufficient non-custodial activities—the limited balance sheet assets of ''independent trusts'' resulted in assessments under § 8.2(a) that did not constitute a fair representation of the complexity of their operations, or the extent of the OCC's supervisory activities related to their operations.[204] An ''independent trust'' is an institution that (i) has trust powers, (ii) does not primarily offer full-service banking, and (iii) is not affiliated with a full-service national bank or Federal savings association.[205] A ''full-service'' institution is one that (i) generates more than 50 percent of its interest and non-interest income from activities other than credit card operations or trust activities; and (ii) is authorized according to its charter to engage in all types of permissible banking activities or activities permissible for Federal savings associations.[206]

The OCC preliminarily concluded that the justification for imposing an additional assessment under § 8.6(c) no longer exists where an independent trust generates more than 50 percent of its interest and non-interest income from activities other than credit card operations or trust activities, after accounting for on-balance-sheet assets attributable to GENIUS Act-related activities. In such instances, although the independent trust may not qualify as a ''full-service'' institution, the agency expected that the additional on-balance-sheet assets attributable to its GENIUS Act-related activities should suffice to ensure that the institution's assessment under § 8.2(a) adequately reflects the magnitude and complexity of the institution's overall business and represents its fair share of the OCC's overall supervisory expenses. The OCC therefore proposed to amend § 8.6(c) to provide that an independent trust national bank or Federal savings association is not subject to an additional assessment under that subsection if it generates more than 50 percent of its interest and non-interest income from activities other than credit card operations or trust activities, after accounting for on-balance-sheet assets attributable to GENIUS Act-related activities. The OCC further proposed to amend § 8.6(c) to require independent trust institutions to report their interest and non-interest income from activities other than credit card operations or trust activities at a time specified by the OCC to ensure accurate accounting in calculating assessments.

The OCC did not receive any comments on either this definitional clarification or the reporting requirement supporting it and will finalize the provision as originally proposed.

c. Additional Requests for Comments Relevant to Subpart A

The OCC requested comment on whether there is a reserve asset threshold above which it would be appropriate to impose either a series of graduated additional discounts or a cap for the purpose of calculating assessments. The OCC had considered, but preliminarily declined, setting a stablecoin reserve asset threshold above which the agency would impose either additional discounts or a cap. The OCC explained that it has occasionally adopted a similar approach (*e.g.,* a cap) when warranted by circumstances. The agency further described that a required stablecoin reserve asset threshold could be appropriate if the OCC were confident that assessment revenues obtained on stablecoin reserve assets above a certain threshold would be disproportionate to the marginal cost of supervising GENIUS Act-related activities attributable to those assets. However, the agency preliminarily concluded that it lacks sufficient certainty of its future supervisory needs to determine with confidence the threshold above which this circumstance would arise.

One stablecoin issuer commented in support of imposing a hard cap on assessment fees for reserve assets at $10 billion. The commenter argued that the OCC's proposed structure of charging basis-point fees on total reserve assets creates a scaling concern such that assessment revenues could become disproportionate to marginal supervisory costs. The commenter argued that the OCC's assessment structure for traditional banks reflects the reality that larger loan portfolios require proportionally more examiner hours to evaluate credit quality, collateral adequacy, and borrower financial condition. However, the commenter argued that logic does not translate to stablecoin reserves because, unlike traditional bank assets where asset growth corresponds to increased lending complexity and supervisory burden, stablecoin reserve assets scale without a corresponding increase in supervisory complexity. The commenter argued that a $50 billion portfolio of segregated Treasury bills is not 50 times more complex to examine than a $1 billion portfolio, and that it would functionally be the same examination repeated against a larger balance. The commenter argued that linear fee scaling above $10 billion would not constitute recovery for supervision, rather it would constitute a tax on scale that penalizes issuers for growth. The commenter stated that without a hard cap, assessment fees would inevitably become grossly disproportionate to marginal supervisory costs at scale, which could make large-scale Federal stablecoin issuance commercially uncompetitive relative to State-chartered or offshore alternatives—directly undermining the GENIUS Act's objective of concentrating stablecoin issuance within the Federal supervisory framework.

However, two commenters—a stablecoin issuer and an industry association—stated that the OCC should not set a hard reserve asset-size threshold above which additional discounts or caps would automatically apply. One commenter argued that setting such a threshold would require confidence that supervisory scale does not continue to scale, directly or indirectly, with an issuer's size or complexity and that such confidence does not yet exist. The commenter argued that international standards increasingly recognize that large issuers require more, not less, attention to redemption, liquidity, cross-border and third-party risk, as well as operational resilience. Both commenters stated that agency should revisit the issue after the agency has observed several supervisory cycles and has greater certainty about the marginal supervisory costs associated with very large reserve asset balances, particularly given the current stage of the stablecoin industry in the United States market.

On the topic of capping or otherwise discounting assessments on assets above a certain threshold, the agency is finalizing the rule as proposed without such an asset threshold. As discussed,

[204] 65 FR 75859, 75860 (December 5, 2000).

[205] 12 CFR 8.6(c)(3)(v) and (vi).

[206] 12 CFR 8.2(c)(3)(iii) and (iv).

while the OCC generally agrees with commenters that the cost of supervising certain GENIUS Act-related activities likely will be lower than supervising the activities of traditional banks and Federal savings associations, the permissible activities of an issuer overall can still present significant operational, organizational and management, and compliance-related complexities and risks. In addition, the OCC anticipates, based on its supervisory experience with national banks and Federal savings associations and its expertise in financial markets, that increases in the scale and scope of permitted payment stablecoin issuers will lead to increases in operational, organizational and management, and compliance-related complexity and risk. For example, the OCC would expect the complexity of liquidity risk management, especially monitoring activity and stress testing possible withdrawals, to generally increase with asset size growth. Likewise, as a stablecoin issuer grows, the likelihood increases that it will take steps that tend to increase the operational complexity of its issuances and redemptions, including entering new market segments, connecting with additional platforms or distributed ledgers, and establishing additional third-party relationships. Additionally, increased complexity and risk commonly necessitate more sophisticated AML/CFT risk management and monitoring as transaction volumes and customer base grow, greater demand for sanctions screening as cross-border risk increases, and cybersecurity risk management becomes more challenging as the technology infrastructure evolves and expands. The OCC has experienced similar effects in connection with the growth of OCC-regulated entities engaged in both traditional and nontraditional banking activities.

Thus, even if the issuer's balance sheet composition means that the marginal cost of supervising an issuer's management of reserve assets does not scale fully with the amount of reserve assets under an issuer's management, other GENIUS Act-related activities likely will scale with the size of an issuer's balance sheet. And, in the absence of information or data from which the OCC can with confidence identify a reserve asset threshold above which the marginal cost of supervision meaningfully decreases, it cannot adopt any such threshold at this time without seriously risking under-assessment.

Further weighing against a threshold-based assessment reduction is the regressive nature (*i.e.,* diminishing rate of increase) of the planned assessments. Contrary to the suggestion of some commenters that the OCC's assessment framework inappropriately scales linearly or mechanically, in fact, the amount an entity pays in assessments per dollar of assets declines as total assets increase. The OCC regularly updates a fee schedule that uses asset-size brackets. As asset size increases and an entity passes into higher brackets, the applicable marginal rate declines such that the lowest marginal rates apply to assets in the largest asset-size categories. This structure reflects the OCC's experience that some economies of scale exist in the supervision of larger banks and Federal savings associations. Because the rule integrates stablecoin issuers into this framework, stablecoin issuers will experience the same decreasing marginal rate structure. As a simplified example of how stablecoin issuer assessments are regressive under the final rule, a stablecoin issuer with $1 billion of assets (of which 75 percent are reserve assets that receive a discounted assessment rate) would have an assessment of $38,421 at 2026 rates. An issuer five times larger ($5 billion of total assets with 75 percent as reserve assets) would have an assessment of about four times larger ($151,558), an issuer ten times larger ($10 billion) would have an assessment between seven and eight times larger ($279,446), and an issuer twenty times larger ($20 billion) would have an assessment between thirteen and fourteen times larger. An additional threshold-based reduction would be a reduction on top of this regressive structure, which the agency does not see as appropriate at this time.

Although one commenter argued that the absence of a hard cap would render Federal stablecoin issuers uncompetitive at scale, the OCC does not believe this is a substantial risk that justifies the creation of an assessment cap. The commenter's point touches on a larger potential concern in the assessment context: whether different assessment rates create an opportunity for regulatory arbitrage or a material incentive for stablecoin issuers to pursue State supervision over Federal supervision. A separate comment addressed the risk of regulatory arbitrage directly: it suggested that asset- or issuance-based OCC assessment fees (as opposed to the flat or activities-based fees of certain foreign digital asset regulatory regimes) could be high enough that stablecoin issuers seek State charters or foreign alternatives. Even if assessments are different under different supervisors, stablecoin issuers would have to weigh assessment costs along with other differences between supervisors, such as the extent of supervisors' experience, what guidance and rules supervisors have issued regarding permissible activities, and the compliance standards expected by third parties. In the complete picture, the agency does not expect assessment amounts to be determinative of a stablecoin issuer's competitiveness or a stablecoin issuer's selection of a supervisor.

Furthermore, the agency is not persuaded that OCC assessments without a cap would be higher than State supervisor assessments. In the proposal, the OCC estimated that in total, the assessment schedule under the proposed rule would save permitted payment stablecoin issuers $11.9 million in assessment fee costs in 2026 relative to the baseline scenario without the OCC assessment framework. While OCC-bank-affiliated permitted payment stablecoin issuers would pay additional assessment fees as the agency would begin to supervise GENIUS Act-related activities, the agency estimates that non-OCC-bank-affiliated permitted payment stablecoin issuers would save money by transitioning from certain State oversight to OCC supervision. The OCC therefore does not see comparisons to State assessment structures as a compelling reason for an assessment cap.

For the various reasons described above, ranging from the limits on the OCC's confidence to the already regressive nature of stablecoin issuer assessments, the OCC is finalizing the rule as proposed without additional assessment reductions or limits above an asset threshold. As the OCC gains experience with the supervision of stablecoin issuers, the OCC may revisit the appropriateness of this conclusion and its underlying reasons.

5. Subpart B—Assessment of Certain Other Institutions

The OCC proposed amending part 8 to include a new subpart B, setting forth the methodology the agency proposed to impose assessments on the following institutions, to the extent they are subject to the OCC's supervisory jurisdiction under the GENIUS Act: (i) nonbank Federal qualified payment stablecoin issuers; (ii) certain foreign payment stablecoin issuers; and (iii) certain State qualified payment stablecoin issuers. The OCC proposed to assess these institutions in connection with the agency's supervisory authority under 12 U.S.C. 482, which authorizes the Comptroller to ''impose and collect assessments, fees, or other charges as necessary or appropriate to carry out the

responsibilities of the office of the Comptroller.'' As described below, the OCC will finalize subpart B substantially as proposed, with certain modifications to reflect commenter feedback.

a. Issues Specific to the Assessment of State Qualified Payment Stablecoin Issuers

Subpart B in general applies the same methodology to State qualified payment stablecoin issuers as it applies to other institutions subject to that subpart, which in turn is generally the same methodology applied to national banks and Federal savings associations under subpart A. As discussed in the proposal, the OCC considered whether it should assess State qualified payment stablecoin issuers differently, including whether the agency should reduce assessments in connection with those GENIUS Act-related activities that would be subject to joint or coordinated review as between the OCC and State payment stablecoin regulators. The agency explained that the appropriateness of assessing one or more classes of institutions subject to subpart B at lower rates would depend on whether the cost of supervising those institutions' GENIUS Act-related activities is in fact shared jointly with another regulator such that the cost to the OCC is meaningfully lower than the cost of supervising national banks and Federal savings associations. Based on the OCC's supervisory experience in similar circumstances involving joint or coordinated supervision, the agency expressed its preliminary view that it is not likely that the costs will be any lower. The OCC nevertheless sought comments or any information that may support adopting alternative assessment methodologies under proposed subpart B for all or a subset of State qualified payment stablecoin issuers, such as applying a discount in the range of 35 to 55 percent of the assessments under subpart B.

The OCC received a range of comments in response to these questions. A State financial regulator and an organization that advocates for State bank regulators both supported assessment credits or some other form of assessment reductions for State qualified payment stablecoin issuers. They argued such a reduction is consistent with effective coordination with State regulators and with giving prospective stablecoin issuers choices. They further indicated that failing to provide a discount would penalize State qualified payment stablecoin issuers that transition to the Federal regulatory framework because such issuers would face higher assessments.

The advocacy organization further suggested that OCC assessments should include a discount for a State qualified payment stablecoin issuer that is eligible for a waiver from OCC supervision such that it would remain solely supervised by a State payment stablecoin regulator. The organization argued this assessment discount should apply regardless of whether the stablecoin issuer seeks a waiver. The commenter supported such a discount because it understands that qualifying for a waiver means that the stablecoin issuer is already subject to a State payment stablecoin regulatory regime that is substantially similar to the Federal regulatory framework.

Other commenters urged the OCC to ground potential discounts in clear and objective criteria that reflect the nature, degree, and effectiveness of the OCC's supervisory coordination with State regulators. One commenter argued that the agency should adopt an assessments framework that would permit and calibrate supervisory fee reductions where, for example, robust home-jurisdiction supervision materially reduces the OCC's supervisory burden or supervisory coordination arrangements demonstrably reduce duplicative supervisory efforts. Another commenter argued that the framework should reflect the OCC's actual supervisory effort and, by avoiding overly burdensome assessments, avoid discouraging operation within State supervisory frameworks.

After considering all relevant comments, the OCC declines to reduce assessments for institutions subject to subpart B whose GENIUS Act-related activities would be subject to joint or coordinated supervision by the OCC and State payment stablecoin regulators. As a threshold matter, the OCC disagrees with the commenters' view that the absence of a discount penalizes State qualified payment stablecoin issuers. The GENIUS Act established the supervisory framework this final rule implements. Absent a waiver, certain State qualified payment stablecoin issuers are subject to OCC supervision.[207] Subpart B describes assessments for certain OCC-supervised payment stablecoin issuers, and no element of those assessments is a penalty. In addition to its obligation to supervise these payment stablecoin issuers, the OCC has a separate obligation to recover the costs of its expenses. The planned assessments as described in the rule appropriately ensure that the agency can fund the activities it must undertake pursuant to the GENIUS Act without imposing undue burdens. The OCC further disagrees with the implication by one commenter that OCC examination of a State payment stablecoin issuer that operates in a certified State regulatory regime would be unnecessarily costly and disruptive.

Additionally, the OCC further disagrees that the assessment as described in the rule is disproportionate to the agency's expected supervisory burden during joint or coordinated supervision. The approval of a certification by the Stablecoin Certification Review Committee of a State-level regulatory regime is not equivalent to a determination that examinations under the approved State-level regulatory regime are immediately capable of defraying OCC supervisory costs for entities subject to joint or coordinated Federal and State supervision. State payment stablecoin regulators that operate under a certified State-level regulatory regime will likely have varied experience regulating the operations of *any* permitted payment stablecoin issuer, much less one with issuances of $10 billion or more. As described above, based on its supervisory experience with national banks and Federal savings associations and its expertise in financial markets, the OCC expects that increases in the scale and scope of permitted payment stablecoin issuers in turn will lead to increases in operational, management, and compliance-related complexity and risk. Likewise, based on its supervisory experience in similar circumstances (for example, the agency's coordinated supervision of Federal branches and agencies), the OCC does not anticipate that supervisory costs will be lower for State payment stablecoin issuers than they will be for Federal issuers. While the OCC is sensitive to ensuring that its supervision and assessment of State payment stablecoin issuers does not impose undue costs, no commenter provided information or evidence undermining the agency's preliminary conclusion. However, as discussed below, the OCC will monitor the situation and consider whether and to what extent it would be appropriate to revisit this discussion after the OCC and State regulators gain more experience with joint and coordinated supervision.

The OCC does not disagree in principle with commenter suggestions that the OCC should ground any potential discounts in clear and objective criteria that reflect the nature, degree, and effectiveness of the OCC's

[207] *See* sections 4(d)(2)–(d)(3) of the Act (12 U.S.C. 5903(d)(2)–(d)(3)).

supervisory coordination with State regulators. However, the OCC presently lacks the information it would need to meaningfully ground any potential discounts in this manner, and therefore it will not, at this time, include in the regulation a mechanism for potential future discounts. To reach an informed decision on the appropriateness of discounts—*i.e.,* whether the cost of supervising those institutions' GENIUS Act-related activities is in fact shared jointly with another regulator such that the cost to the OCC is meaningfully lower than the cost of supervising national banks and Federal savings associations—the OCC will need to gain experience working jointly and in coordination with State regulators. And, without the benefit of that experience, the OCC cannot meaningfully achieve the stated objective of many commenters that the agency base any potential discounting decisions on clear and objective criteria that account for the real-world costs of supervision.

b. Issues Specific to the Assessments of Foreign Payment Stablecoin Issuers

Subpart B in general applies the same methodology to foreign payment stablecoin issuers as it applies to other institutions subject to that subpart, which in turn is generally the same methodology applied to national banks and Federal savings associations under subpart A. As discussed above, the GENIUS Act prohibits digital asset service providers from offering or selling a payment stablecoin to a person in the United States unless the issuer is a permitted payment stablecoin issuer or the issuer is a foreign payment stablecoin issuer that meets the following statutory requirements: (1) the foreign payment stablecoin issuer is subject to regulation and supervision by a foreign payment stablecoin regulator that has a regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins, as determined by the Secretary of the Treasury under section 18(b) of the GENIUS Act (12 U.S.C. 5916(b)); (2) the foreign payment stablecoin issuer is registered with the OCC; (3) the foreign payment stablecoin issuer holds reserves in a United States financial institution sufficient to meet the liquidity demands of United States customers, unless otherwise permitted under a reciprocal arrangement created and implemented by the Secretary of the Treasury under subsection 18(d) of the GENIUS Act (12 U.S.C. 5916(d)); and (4) the foreign country in which the foreign payment stablecoin issuer is domiciled and regulated is not subject to comprehensive economic sanctions by the United States or in a jurisdiction that the Secretary of the Treasury has determined to be a jurisdiction of primary money laundering concern. 12 U.S.C. 5902. The OCC will have regulatory authority over foreign payment stablecoin issuers that meet these conditions, and such issuers must register with the OCC. Registered foreign payment stablecoin issuers are subject to ongoing monitoring by the OCC, including reporting, supervision, and examinations, and they will be subject to a full-scope examination at the same frequency as the OCC would examine a permitted payment stablecoin issuer unless the OCC determines to examine at a different frequency.

The OCC considered whether it should assess foreign payment stablecoin issuers differently in the proposed rule but, for reasons similar to those discussed in connection with State qualified payment stablecoin issuers, the OCC preliminarily concluded that it should not. The agency nevertheless sought comments or any information that may support adopting alternative assessment methodologies under proposed subpart B for all or a subset of foreign payment stablecoin issuers, such as applying a discount in the range of 35 to 55 percent of the assessments under subpart B.

The OCC received several comments in response to its request. Several industry commenters, addressing foreign payment stablecoin issuers together with State qualified stablecoin issuers, expressed the views summarized above with respect to the appropriateness of providing discounts to foreign payment stablecoin issuers and the methodology that the OCC should use if it were to adopt such discounts. For example, these commenters indicated that robust home-jurisdiction supervision could materially reduce the OCC's supervisory burden. Some comments raised similar arguments with additional nuances that were specific to foreign payment stablecoin issuers. One stablecoin issuer discussed both State qualified payment stablecoin issuers and foreign payment stablecoin issuers but noted that differences in regulatory pathways and assessments are particularly relevant to foreign payment stablecoin issuers as they reach decisions about market entry and organization. Two other commenters, writing specifically with respect to foreign payment stablecoin issuers, suggested that the OCC could calibrate a sizable discount within a certain range (*e.g.,* the 35 to 55 percent discount described in the proposal, 55 percent or greater) based on the terms of the supervisory coordination agreement or the actual extent of OCC reliance on the foreign regulator. This was consistent with a larger point by a foreign regulator stating that the OCC should structure its regulations in a manner that preserves the flexibility of the Secretary of the Treasury to negotiate reciprocal arrangements with foreign jurisdictions.

Another set of comments highlighted unique elements of OCC supervision over foreign payment stablecoin issuers that commenters viewed as necessitating further calibration or a different approach to assessments. Commenters focused on the OCC's unique role in supervising primarily the United States operations of and the United States-specific requirements governing foreign issuers. They also flagged some uncertainty as to whether the asset-based semiannual assessments under proposed subpart B would apply solely to those assets of a foreign issuer related to their United States operations or to the foreign issuer's non-U.S. assets, observing that in some instances the volume of a foreign issuer's United States holdings and transactions could be only a small fraction of the foreign issuer's overall business.

After considering comments, the OCC concludes that foreign issuers and the agency's supervision of them occupy a unique space within the overall GENIUS Act regulatory framework. It is therefore appropriate to assess foreign issuers under OCC jurisdiction differently than permitted payment stablecoin issuers. Particularly relevant here, as alluded to above, section 18(d) of the GENIUS Act grants the Secretary of the Treasury broad authority to create and implement reciprocal arrangements or other bilateral agreements between the United States and foreign jurisdictions. These reciprocal arrangements or bilateral agreements have the potential to meaningfully impact the extent of foreign issuer participation in the United States market, as well as the nature and scope of OCC supervision over those issuers. The OCC is not able to anticipate the terms of these reciprocal arrangements or bilateral agreements, or how they may impact the OCC's supervision of any foreign payment stablecoin issuer authorized to register with the OCC. Additionally, the OCC has limited experience with institutions like foreign payment stablecoin issuers that are both subject to ongoing reporting, supervision, and examination requirements as determined by the Comptroller (section 18(c)(2)(A) of the GENIUS Act, 12 U.S.C. 5916(c)(2)(A)) and ongoing regulation and supervision by a foreign payment stablecoin regulator (subsection 18(a)(1)

of the GENIUS Act, 12 U.S.C. 5916(a)(1)). To the extent the OCC determines assessment levels based on the extent it relies on foreign regulators, the OCC lacks enough certainty to set the appropriate framework. In turn, this uncertainty about the terms of agreements and actual future reliance complicates the OCC's ability to conclude that the asset-based formulas upon which it would rely to determine semiannual assessments for permitted payment stablecoin activities (whether discounted or not) would accurately or appropriately reflect a level of funding that the OCC would need to supervise registered foreign stablecoin issuers. The OCC therefore concludes that, at least initially, the proposed semiannual assessments under subpart B should not apply to registered foreign stablecoin issuers.

Notwithstanding this conclusion, the OCC intends to assess foreign payment stablecoin issuers at levels sufficient to ensure that the OCC can fund the activities it undertakes with respect to these issuers. Foreign payment stablecoin issuers will remain subject to § 8.12 which, as finalized, authorizes the OCC to charge fees to conduct special examinations or investigations. That authority mirrors the OCC's existing authority under 12 CFR 8.6, which the agency has similarly used in the past in limited circumstances where it has reason to believe asset-based semiannual assessments might not adequately or appropriately ensure that it can recoup the cost of supervising a small number of institutions engaged in novel or otherwise nontraditional banking activities. While the OCC does not view this assessment methodology as either adequate or appropriate when applied across wide categories of supervised institutions—including as applied to all or even a subset of permitted payment stablecoin issuers—it has enabled the OCC in certain targeted circumstances to satisfy its supervisory mission in the immediate term while providing the agency with sufficient information to better inform longer-term decision-making.

Given the unique uncertainties related to the OCC's supervision of registered foreign payment stablecoin issuers, combined with an expectation that the universe of such issuers will be limited at least initially, the OCC concludes that fee-based assessments under § 8.12 offer the best assessment methodology at this time for these registered foreign issuers. As the United States authorizes more registered foreign payment stablecoin issuers, and the nature and scope of the OCC's supervisory role with respect to these issuers crystallizes, the OCC anticipates that it will be better positioned to evaluate whether foreign issuers should be subject to subpart B's asset-based semiannual assessments and (if so) whether it would be appropriate to discount those assessments to reflect the OCC's shared supervision of these entities with foreign regulators.

Until such time, under § 8.12, the OCC will calculate cost-based assessments for foreign payment stablecoin issuers semiannually by working with the examiners in charge of each foreign issuer to estimate the anticipated supervisory hours for the forthcoming quarters and multiply the estimated hours by the hourly rate that the OCC publishes in its annual Notice of Office of the Comptroller of the Currency Fees and Assessments, which is described in 12 CFR 8.8. Consistent with prior precedent under existing § 8.6, the assessment will be based on the anticipated direct supervisory hours and a factor to account for indirect hours associated with supervising the foreign issuers. Assessments of foreign payment stablecoin issuers would be due semiannually, on March 31 and September 30.

Finally, the OCC clarifies that it does *not* view the agency as possessing only narrow or otherwise limited supervisory authority over registered foreign issuers. The GENIUS Act states unequivocally that foreign payment stablecoin issuers ''shall . . . be subject to reporting, supervision, and examination requirements as determined by the Comptroller.'' [208] While reciprocal arrangements or other bilateral agreements with foreign regulators may impact the precise nature and scope of OCC supervision, creating the uncertainties discussed above that warrant different treatment of foreign issuers for assessment purposes, it remains the case that Congress has equipped the OCC with robust authority to supervise foreign issuers as necessary to ensure their compliance with all applicable laws. For these reasons, as discussed elsewhere, the final rule provides that the OCC will conduct full-scope examinations of a foreign payment stablecoin issuer registered with the OCC at the same frequency as the OCC would examine a permitted payment stablecoin issuer, unless the OCC determines, in its sole discretion, to examine at a different frequency. Nothing herein should be misconstrued to suggest that the agency has a narrow, limited, or ''secondary'' role in supervising a foreign payment stablecoin issuer registered with the OCC.

[208] Paragraph 18(c)(2)(A) of the GENIUS Act (12 U.S.C. 5916(c)(2)(A)).

c. Section 8.10—Semiannual Assessment for Certain Institutions

Section 8.10, as proposed, established the primary assessment for nonbank Federal qualified payment stablecoin issuers, certain foreign payment stablecoin issuers, and State qualified payment stablecoin issuers subject to 12 U.S.C. 5903(d) (except to the extent such issuer remains solely supervised by a State payment stablecoin regulator).[209] Proposed § 8.10(a) in general incorporated the current structure and asset-based formula used to impose assessments on national banks and Federal savings associations under § 8.2(a), and included the same percentage-based assessment reduction for minimum stablecoin reserve assets that the agency proposed under § 8.2(e)(1), discussed above. Consistent with the agency's treatment of national banks and Federal savings associations, proposed § 8.10(a) imposed a semiannual assessment schedule. In addition to ensuring consistency across all categories of supervised institutions, a semiannual assessment schedule may be especially prudent for those institutions subject to proposed § 8.10, given that stablecoin reserve assets—the primary asset for many of the subject institutions—may experience significant fluctuation over the course of a year as issuance and transaction volumes change.

To ensure the annual assessment of an institution subject to proposed § 8.10(a) would be in an amount equal to the annual assessment of a similarly-sized national bank or Federal savings association under § 8.2(a), the OCC proposed to use the same asset tiers (Columns A and B) in Table 1 of

[209] State qualified payment stablecoin issuers with consolidated total outstanding issuances of not more than $10 billion may opt for regulation under a State-level regulatory regime under 12 U.S.C. 5903(c). However, when a State-chartered depository institution that is a State qualified payment stablecoin issuer exceeds a threshold of $10 billion consolidated total outstanding issuance, not later than 360 days after reaching such threshold, it transitions to the Federal regulatory framework of its primary Federal payment stablecoin regulator, which is administered by the State payment stablecoin regulator and the primary Federal payment stablecoin regulator *acting jointly.* Similarly, when a non-depository State qualified payment stablecoin issuer exceeds a threshold of $10 billion consolidated total outstanding issuance, not later than 360 days after reaching such threshold, it transitions to the Federal regulatory framework of the OCC, administered by the relevant State payment stablecoin regulator and the OCC *acting in coordination.* This means that some State qualified payment stablecoin issuers will be subject to the OCC's regulatory framework administered by the relevant State payment stablecoin regulator and the OCC *acting jointly or in coordination.*

§ 8.10(a) as used in Table 1 of § 8.2(a),[210] and to publish in its annual Notices of Fees tier-specific base amounts (Column C) and marginal rates (Column D) that match those published annually in connection with current § 8.2(a).[211] Proposed § 8.10(a)(6) likewise established the same two-pronged approach to calculating assessments for the on-balance-sheet assets of institutions subject to that section as proposed in § 8.2(e)(1).

Specifically, the OCC proposed to use the existing asset-based formula to first determine the institution's semiannual assessment attributable to its on-balance-sheet assets that do *not* reflect minimum stablecoin reserve assets. As noted, the agency anticipated that institutions subject to proposed § 8.10 will have a limited amount of such assets on balance sheet. The OCC next proposed to apply the same formula to those minimum stablecoin reserve assets, *except* that it would reduce the resulting amount by 35 percent, or by such other percentage (up to 55 percent) that the OCC may deem appropriate for minimum stablecoin reserves held by institutions subject to proposed § 8.10, based on its experience supervising all stablecoin issuers subject to this part. The OCC would publish the percentage reduction deemed appropriate for minimum stablecoin reserve assets on an annual basis in the Notice of Fees. An institution's semiannual assessment would be the sum of the two figures described above.

For the reasons already discussed, the OCC has removed references to foreign payment stablecoin issuers subject to the OCC's jurisdiction. The OCC will calculate assessments for foreign payment stablecoin issuers in the separate manner described above.

Whereas proposed § 8.10 applied an assessment discount only to the minimum stablecoin reserve assets required by the GENIUS Act, the final version of § 8.10 parallels the change in the final version of § 8.2 by removing the minimum amount limitation and applying the assessment discount to all stablecoin reserve assets held by the issuer. Consequently, the assessment discount would apply to reserve asset holdings above the minimum. As described in the above discussion of § 8.2, the agency understands reserve asset holdings above the minimum can contribute to reduced overall supervisory risk when it reflects appropriate and conservative risk management decisions, and the agency sees a benefit in encouraging such decisions. Furthermore, the information the agency has learned and expects to receive from stablecoin issuers mitigates the potential risks associated with reserve asset holdings above the minimum, such as asset mischaracterization.

Separately, the agency is finalizing the assessment reduction on reserve assets as proposed. Like certain activities of institutions subject to subpart A of part 8, certain GENIUS Act-related activities of institutions subject to subpart B (such as reserve management) are likely to present lower risks and supervisory costs than traditional banking activities. However, given the agency's uncertainty about the complexity of other GENIUS Act-related activities, the agency is not finalizing the reduction above the 35 percent in the proposal. As in the proposal, the agency will review the complexity and supervisory costs associated with GENIUS Act-related activities, which may lead the agency to adjust the assessment reduction as high as 55 percent. The final § 8.10(a)(6)(i) replaces the word ''other'' with ''greater'' to clarify that 35 percent is the lower bound of the range of assessment discounts.

The above-described finalization of § 8.10 to apply a 35 percent discount to all stablecoin reserve assets aligns § 8.10 with final § 8.2. As mentioned above, the agency is looking to achieve consistency across categories of supervised institutions to the extent other objectives permit, and applying the same discount between § 8.2 and § 8.10 supports such consistency.

Presently, the OCC relies primarily on Call Reports to calculate the total consolidated on-balance-sheet assets of national banks and Federal savings associations for purposes of calculating semiannual assessments under § 8.2(a). Because many institutions subject to proposed § 8.10 do not presently file Call Reports, proposed § 8.10(a)(5) instead provided that the OCC would base semiannual assessments on the total consolidated assets shown on the most recent quarterly report filed by each institution pursuant to proposed § 15.14(i) preceding the payment date. As discussed elsewhere, the OCC proposed to require all institutions subject to proposed § 8.10 to file quarterly reports reflecting the total consolidated assets held on the balance sheet of the institutions. The OCC anticipated that the asset reporting on these quarterly reports will match the asset reporting that would otherwise appear on Call Reports if all institutions subject to proposed § 8.10 were required to file these reports quarterly.

The OCC requested comment on the proposed use of weekly or quarterly reporting under § 15.14 to determine the appropriate semiannual assessment amount due from each supervised institution in connection with its GENIUS Act-related activities, including for those institutions subject to subpart B. In particular, the OCC asked whether the agency should require reserve asset reporting on a rolling daily or weekly basis directly to the agency and whether required reporting should focus on the latest figures, the highest figures, the median, or the mean.

The OCC received several comments related to this request, some of which it separately addresses in connection with the agency's discussion of § 15.14, as finalized, and the remainder of which are addressed here. One commenter argued that the OCC's assessment methodology should be tied to the reporting regime established in proposed § 15.14 and warned against turning assessments into a reporting regime apart from that contemplated under § 15.14. This commenter also suggested that the OCC rely on the existing weekly reporting under § 15.14(h), arguing that requiring rolling or daily reporting directly to the OCC would be burdensome and not provide clear incremental value relative to the weekly and quarterly reporting.

Another commenter opined that the OCC should use the proposed weekly reporting under § 15.14(h) to calculate assessments from a rolling average or other smoothing measure over the assessment period, rather than from only the latest observation. It suggested that while daily reporting should not be mandatory for all issuers, because that would add substantial burden, the OCC should reserve authority to require daily

---

[210] As discussed elsewhere, the OCC's current asset-based assessment scheme assigns each bank to a bracket based on total assets. For each bracket, the assessment is a base amount (representing application of successive marginal rates to the assets up to the lower threshold of that bracket) plus a marginal rate applied to amounts within that tier. There are currently eleven brackets, the thresholds for which are set by regulation. Current base amounts and marginal rates are published annually in the Notice of Fees. *See* 57 FR 22413 (May 28, 1992) (discussing overall methodology); 73 FR 9012 (February 19, 2008) (establishing current asset size thresholds). The most recent Notice of Fees can be found on the OCC's website. *See, e.g.,* OCC Bulletin 2025–21, ''Office of the Comptroller of the Currency Fees and Assessments: Interim Calendar Year 2025 Fees and Assessments Structure'' (August 29, 2025), *https://www.occ.gov/news-issuances/bulletins/2025/bulletin-2025-21.html.*

[211] Accordingly, consistent with current § 8.2(a), proposed § 8.10(a)(4) would provide that the OCC may index marginal rates to adjust for the percentage in the level of prices, as measured by changes in the Gross Domestic Product Implicit Price Deflator (GDPIPD) for each June-to-June period. It would similarly reserve for the agency a degree of discretion to adjust marginal rates by amounts other than the percentage change in the GDPIPD.

data from large, fast-growing, or stressed issuers.

The OCC concludes that quarterly reporting under § 15.14 is adequate and appropriate to calculate assessments. The OCC agrees with commenters that, at least for assessment-related purposes, daily or other reporting directly to the OCC separate and apart from the reporting required under § 15.14 would be unduly burdensome and would not meaningfully impact the OCC's ability to ensure it can fund its activities in connection with the GENIUS Act. The OCC similarly does not believe that rolling averages or other smoothing techniques—either for purposes of calculating the OCC's jurisdictional thresholds or as a basis for assessments—is necessary for the agency to have actionable and appropriate information to calculate assessments that ensure the agency can fund its activities. Reliance on end-of-quarter reporting of reserve assets is consistent with the agency's current approach to calculating existing asset-based assessments for national banks and Federal savings associations, and the OCC does not expect that reliance on quarterly reporting of reserve assets would meaningfully affect assessment amounts.

One commenter requested that the OCC explain further how reporting data will be used to calculate the semiannual assessment base. As noted, unless otherwise indicated, the semiannual assessment of an institution subject to § 8.10(a) will be in an amount equal to the semiannual assessment of a similarly sized national bank or Federal savings association under § 8.2(a). Total balance sheet asset reporting under § 15.14, Schedule B, should provide the OCC with the same or substantially similar balance sheet asset reporting as that provided by similarly situated national banks and Federal savings associations in Call Reports. The OCC will therefore calculate the semiannual assessments under § 8.10(a) using the assets shown on Schedule B of the most recent quarterly report filed by each institution, and relying on the same assessment formula applicable to national banks and Federal savings associations under § 8.2(a), with the reserve asset data provided to the OCC in Schedule B to calculate the reserve asset discount. Section 8.10, as finalized, is revised to better reflect this formula.

Finally, similar to proposed amendments in subpart A, proposed § 8.10(a)(6) included language clarifying that the OCC shall increase the assessment set forth in § 8.10(a) for any institution if the assets reported on that institution's quarterly report for any reason do not reflect the minimum stablecoin reserve assets that a stablecoin issuer must hold under 12 U.S.C. 5903 and these implementing regulations. The proposed increase would reflect the difference between the amount of stablecoin reserve assets reflected on the quarterly report and the minimum required stablecoin reserve assets for the amount of outstanding stablecoin issuances that the institution reports. As discussed above, among other things, this proposed subsection would permit the OCC to address any potential under-assessment resulting from an institution's failure to ensure that it holds sufficient stablecoin reserve assets to meet its obligations under 12 U.S.C. 5903 and these implementing regulations. If a stablecoin issuer's actual reserve amount is less than its required reserve amount, the OCC anticipates that the institution may incur additional fees and charges under proposed § 8.12 associated with (among other things) examinations conducted to understand and address the stablecoin issuer's reserve asset deficiencies.

While the OCC did not receive comment directly on this provision, the final rule makes certain revisions to ensure overall consistency with similar revisions to subpart A (final § 8.7(d)). Specifically, the final rule provides that, if the assets reported by an institution on its most recent quarterly report preceding the payment date for assessments do not reflect the assets that the institution holds under 12 U.S.C. 5903—or the assets that are otherwise attributable to the institution's custodial and safekeeping activities—the OCC may increase the assessment set forth in subpart B for such institution to fully reflect the appropriate amount of attributable assets. Because the provision would no longer apply solely to reporting inconsistencies in connection with semiannual assessments under § 8.10, the OCC will remove this provision from § 8.10 and add it to proposed § 8.13, ''Payment of interest on delinquent assessments and examination and investigation fees.'' As discussed in connection with similar revisions in subpart A, by expanding the provision to cover *all* assets attributable to GENIUS Act-related activities subject to assessment—and not simply minimum reserve assets subject to semiannual assessment under § 8.10—the revised provision best ensures that an institution's assessment amount appropriately reflects the GENIUS Act-related activities of permitted payment stablecoin issuers. The OCC does not anticipate this provision would apply to institutions in the ordinary course. Absent reporting errors or non-compliance with the quarterly reporting forms established under § 15.14, the OCC expects to receive all the information that it will need to assess institutions subject to subpart B solely by reference to Schedules B and C of the institution's quarterly reporting. And, except to the extent a reallocation appears to be the result of misreporting on the part of the institution, the OCC does not intend to treat reallocations under this new subsection as delinquent assessments subject to fees unless and until it has informed the institution of the reassessment and the institution has declined to pay the assessment by the date indicated.

Proposed § 8.10(b), modeled after existing § 8.2(d), applied a surcharge to the semiannual assessments for stablecoin issuers that require increased OCC supervisory resources. Similar to the OCC's assessment schedule for national banks and Federal savings associations, the surcharge ensures that fees reflect the increased cost of supervising stablecoin issuers determined to require rehabilitation. As explained above, a condition-based surcharge ensures the OCC has sufficient resources to fund the special supervisory attention that lower-rated entities require without raising general assessments; in the absence of such a charge, healthier entities would in effect subsidize their lower-rated competitors.[212] The OCC proposed to determine relevant surcharges by multiplying the semiannual assessment computed in accordance with paragraph (a) by 1.5, in the case of any institution that was found to require rehabilitation at its most recent examination; and 2.0 in the case of any institution that was found to have material financial or operational deficiencies that threaten the viability of the institution at its most recent examination prior to December 31 or June 30, as appropriate. This proposed methodology was intended to operate in the same manner, and on the same rationale, as the surcharges tied to UFIRS ratings in § 8.2(d). The OCC generally requested information and comment on its proposed methodology to ensure that assessments for all regulated entities requiring rehabilitation are adequately reflected in the increased cost of supervising those institutions. In § 8.10(b), as finalized, the OCC is changing the language used for purposes of the surcharge to better align with the conditions specified in the surcharges tied to UFIRS ratings in § 8.2(d). Specifically, under the final

[212] *See* 62 FR 64135, 64136 (December 4, 1997).

rule, the OCC will determine relevant surcharges by multiplying the semiannual assessment computed in accordance with paragraph (a) by 1.5, in the case of any institution that was found to be in less than satisfactory condition, and by 2.0, in the case of any institution that was found to be in deficient or critically deficient condition, at its most recent examination prior to December 31 or June 30, as appropriate.

Proposed § 8.10(c) clarified that, even if certain State qualified payment stablecoin issuers are not subject to the assessment proposed in that section, these institutions still may be subject to certain other assessments and fees under subpart B. The GENIUS Act requires the OCC to engage in certain supervisory and enforcement activities outside the ordinary course of its operations that are not otherwise accounted for in semiannual assessments contemplated under subpart B, including the OCC's exercise of certain enforcement authorities under 12 U.S.C. 5906(e)(2)(A) over certain State qualified payment stablecoin issuers with consolidated total outstanding issuances less than $10 billion. Twelve U.S.C. 5903(d)(3)(A) separately requires the OCC to adjudicate waiver requests from certain State qualified payment stablecoin issuers with consolidated total outstanding issuances exceeding $10 billion to remain subject to the sole supervision of their State payment stablecoin regulators. Proposed § 8.10(c) acknowledged these and other similar circumstances by clarifying that, while these issuers may not be subject to the assessments proposed in subpart B, they may still be subject to fees under proposed § 8.12 in connection with the OCC's exercise of these and any other authorities relevant to their operations under the GENIUS Act.

The OCC did not receive comment specifically on § 8.10(c) and finalizes it as proposed.

d. Section 8.11—Fees for Certain Institutions Engaged in the Custodial and Safekeeping Activities Permitted Under the GENIUS Act

Certain institutions subject to assessments under proposed § 8.10 also would have been subject to an additional assessment under proposed § 8.11 in connection with their participation in custodial or safekeeping activities permitted under 12 U.S.C. 5901 *et seq.* Specifically, proposed § 8.11 would have applied to those institutions for which 50 percent or more of their income is derived from custodial or safekeeping activities permitted under 12 U.S.C. 5901 *et seq.* Proposed § 8.11 is modeled on the existing provisions of § 8.6(c), which addresses additional assessments imposed upon independent trust national banks and independent trust Federal savings associations. Further, as described below, the asset-based assessment formula under proposed § 8.11 would have generally matched the formula under existing § 8.6(c) so that like-sized institutions would be subject to the same assessment amounts for similar activities under § 8.6(c) and proposed § 8.11.

Proposed § 8.11 reflected the OCC's preliminary conclusion that an assessment based solely on an institution's activities covered under § 8.10—*i.e.,* non-custodial assets—would not adequately reflect the supervisory burden on the OCC for supervising institutions for which 50 percent or more of their income is derived from the custodial or safekeeping activities permitted under 12 U.S.C. 5901 *et seq.* This preliminary finding is consistent with the agency's longstanding position that chartered institutions should be subject to an assessment under § 8.6(c) in connection with their fiduciary and related assets, in addition to an assessment based on their non-fiduciary activities. As discussed, the OCC adopted existing § 8.6(c) upon finding that—unlike ''full-service'' institutions that may exercise trust powers but that also engage in sufficient non-custodial activities—the limited balance sheet assets of ''independent trusts'' result in assessments under § 8.2(a) that do not constitute a fair representation of the complexity of their operations, or the extent of the OCC's supervisory activities related to these institutions.[213] The OCC preliminarily concluded that a similar risk of under-assessment would likely occur for those institutions subject to proposed § 8.10 that primarily derive their income from custodial and safekeeping activities. The additional assessment proposed under proposed § 8.11 would better ensure that such institutions contribute their fair share of the costs associated with the OCC's supervisory activities.

Consistent with the existing assessment formula under § 8.6(c), assessments for each institution subject to proposed § 8.11 would include a minimum fee associated with the first $1 billion of assets attributable to the custodial and safekeeping activities permitted under the GENIUS Act, and an additional amount associated with assets in excess of $1 billion. To reflect the similar activities of institutions subject to proposed § 8.11 and existing § 8.6(c), the initial fee and the multiplier associated with excess assets would match the amounts used to assess independent trust national banks and independent trust Federal savings associations subject to § 8.6(c).

Additionally, consistent with existing § 8.6(c)(1)(iii), and for the reasons described earlier in connection with proposed § 8.10(b), the OCC proposed to apply a surcharge to the semiannual assessments for permitted payment stablecoin issuers subject to proposed § 8.11(b) determined to require rehabilitation. Specifically, under proposed § 8.11(b), the agency would have adjusted the semiannual assessment computed under § 8.11(a) by applying to it the following multiples: 1.5, in the case of any institution that was found to require rehabilitation at its most recent examination; and 2.0 in the case of any institution that was found to have material financial or operational deficiencies threatening the viability of the institution at its most recent examination prior to December 31 or June 30, as appropriate. As discussed above, this proposed methodology was intended to functionally mirror the distinction made in § 8.6(c)(1)(iii), whether or not assessed using the UFIRS system. The OCC generally requested information and comment on its proposed methodology to ensure that assessments for all regulated entities requiring rehabilitation are adequately reflected in the increased cost of supervising those institutions. As discussed above, in final § 8.11(b), the OCC is changing the language used for purposes of the surcharge to better align with the conditions specified in the surcharges tied to UFIRS ratings in § 8.2(d). Under the final rule, similar to § 8.10(b), the OCC will determine relevant surcharges by multiplying the semiannual assessment computed in accordance with paragraph (a) by 1.5, in the case of any institution that was found to be in less than satisfactory condition, and by 2.0, in the case of any institution that was found to be in deficient or critically deficient condition, at its most recent examination prior to December 31 or June 30, as appropriate.

The OCC received no comments on this provision and is finalizing this section with no other changes from the proposal, except that the final rule includes language clarifying that the agency will rely on the most recent report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date to determine whether an institution is subject to the minimum

[213] 65 FR 75860.

additional assessment under § 8.11(a)(1) and that the OCC will rely on Schedule C: Off Balance Sheet Items, to calculate any additional amount of assessment on custodial and safekeeping assets in excess of $1 billion. The OCC reiterates that, unless otherwise indicated, the assessment of an institution subject to § 8.11 should be in an amount equal to the assessment of a similarly situated national bank or Federal savings association under § 8.6(c).

e. Section 8.12—Fees for Special Examinations and Investigations

Section 8.12 proposed fees for special examinations and investigations the OCC would undertake with respect to certain institutions covered under subpart B. The fees covered by this section would be in addition to any fees and charges assessed in connection with the other sections of subpart B and generally align with the fees and charges currently imposed on national banks and Federal savings associations under existing § 8.6. The OCC intended proposed § 8.12 to apply to any institution subject to the OCC's jurisdiction under 12 U.S.C. 5901 *et seq.* For example, as discussed above, the OCC anticipated charging fees in connection with the OCC's resolution of a request for a waiver from a State qualified payment stablecoin issuer with consolidated total outstanding issuances exceeding $10 billion to remain subject to the sole supervision of its State stablecoin regulator pursuant to 12 U.S.C. 5903(d)(3). The OCC also anticipated charging fees in connection with any instance in which the OCC must conduct investigations to support its enforcement authority under 12 U.S.C. 5906(e)(2)(A).

Other special examinations or investigations under proposed § 8.12 included, but were not limited to, those in connection with (i) supervision- or enforcement-related activities described in 12 U.S.C. 5905; (ii) activities related to examining affiliates of institutions subject to subpart B; and (iii) activities related to 12 CFR part 5.

The OCC received no comments on this provision and will finalize it largely as proposed, except that the section as finalized expressly references registered foreign payment stablecoin issuers, consistent with the OCC's decision to rely primarily on § 8.12 to ensure that it can fund the agency's supervisory activities in connection with these registered issuers.

f. Section 8.13—Payment of Interest on Delinquent Assessments and Examination and Investigation Fees

The OCC modeled proposed § 8.13 after and did not differ materially from existing § 8.7. Proposed § 8.13 covered the payment of interest on delinquent assessment and examination and investigation fees by each Federal, Foreign, or State payment stablecoin issuer under OCC jurisdiction for purposes of the GENIUS Act. The OCC preliminarily concluded that provisions covering the payment of interest on delinquent assessment and examination and investigation fees from these institutions should match the existing provisions covering payment of interest on delinquent assessment and examination and investigation fees that currently govern national banks and Federal savings associations, although it sought comment and information on any potential justifications to treat the respective institutions differently.

The OCC received no comments on this provision and is finalizing it as proposed except, as discussed above, the agency will include a new subsection (d) addressing unusual circumstances where the assessable assets attributable to GENIUS Act-related activities do not appear on the institution's most recent quarterly report preceding the payment date. As discussed above, except to the extent a reallocation appears to be the result of misreporting on the part of the institution, the OCC does not intend to treat reallocations under this new subsection as delinquent assessments subject to fees unless and until it has informed the institution of the reassessment and the institution has declined to pay the assessment by the date indicated.

In addition, final § 8.13(a) includes a technical change wherein the word ''All'' beginning the paragraph in the proposal is changed to ''Any'' to reflect the singular language used in the remainder of the paragraph. This change is technical in nature and not intended to be substantive.

6. Subpart C—General Provisions

In addition to finalizing subparts A and B of part 8 as described above, the final rule includes subpart C for provisions that are not specific to subpart A or subpart B. At the present time, the only section within this subpart is § 8.14, which the OCC is adding in the final rule as a reservation of authority. Section 8.14 provides that the OCC may waive or modify the requirements of part 8 or adopt different procedures implementing this part, as necessary, to administer and carry out its authorities to collect assessments, fees, and other charges to meet the agency's expenses in carrying out authorized activities. The OCC is adopting this provision in recognition of the nascent nature of the stablecoin industry and the novelty of the GENIUS Act framework. Those circumstances relate to the OCC's ability to adequately and appropriately ensure that the OCC can fund its activities to carry out its statutory obligations under the GENIUS Act. The OCC will only exercise this reservation of authority where consistent with the agency's assessment authorities, the GENIUS Act, and where circumstances justify the use of this reservation. The OCC generally uses reservations sparingly.

G. Amendments to Part 19

The OCC proposed several revisions to the rules of practice and procedure for adjudicatory proceedings in 12 CFR part 19 to incorporate the Act's procedural requirements with respect to permitted payment stablecoin issuers.

Section 6(b) of the GENIUS Act (12 U.S.C. 5905(b)) requires the OCC to follow certain procedures when bringing an enforcement action or imposing civil money penalties against a permitted payment stablecoin issuer for violations of the GENIUS Act, any regulation or order issued under the Act, or any condition imposed in writing between the OCC and permitted payment stablecoin issuer.

Specifically, section 6(b)(4)(A) of the GENIUS Act (12 U.S.C. 5905(b)(4)(A)) requires the OCC to comply with the procedures set forth in paragraphs (b) and (e) of section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) if the OCC identifies a violation or attempted violation of the Act or makes a determination with respect to the enforcement authorities enumerated at sections 6(b)(1) through (3) of the Act.[214] Similarly, section 6(b)(4)(D) of the GENIUS Act (12 U.S.C. 5905(b)(4)(D)) permits the OCC to follow the procedures in section 8(c) of the Federal Deposit Insurance Act when the OCC issues a temporary cease-and-desist order.

Section 6(b)(5)(D) of the GENIUS Act (12 U.S.C. 5905(b)(5)(D)) clarifies that any civil money penalty imposed under the Act may be assessed and collected by the OCC pursuant to the procedures set forth in section 8(i)(2) of the Federal Deposit Insurance Act.

[214] Section 6(b)(1) through (3) of the Act provide the OCC authority to suspend or revoke the registration of a permitted payment stablecoin issuer, initiate cease-and-desist proceedings, and remove and prohibit institution-affiliated parties.

Consistent with the GENIUS Act, the OCC proposed to revise § 19.1 to clarify that the rules of practice and procedure in part 19 apply to the following proceedings: suspension or revocation of registration, cease-and-desist, temporary cease-and-desist, removal and prohibition, or civil money penalties under section 6 of the GENIUS Act (12 U.S.C. 5905). Additionally, the OCC proposed to revise § 19.180 to clarify that the part 19 procedures for formal investigations apply to formal investigations initiated by the Comptroller pursuant to section 6 of the GENIUS Act (12 U.S.C. 5905).

The OCC also proposed several technical revisions. Specifically, the OCC proposed to revise the definitions of ''institution'' and ''institution-affiliated party'' in § 19.3 to incorporate permitted payment stablecoin issuers and actions brought pursuant to the Act.

The OCC received no comments on the proposed revisions to part 19. The OCC is finalizing the revisions to part 19 as proposed other than adding a reference to 12 U.S.C. 5905 in the authority section.

III. Effective Date

The effective date for the final rule is January 18, 2027. The GENIUS Act will be effective on January 18, 2027, and it is important for the implementing regulations to be effective as of the same date. Although the effective date will not be the first day of the next calendar quarter that begins at least 60 days after the final rule is published in the **Federal Register**,[215] the effective date is in the next calendar quarter that begins at least 60 days after the final rule is published in the **Federal Register**. The final rule cannot be effective until the underlying Act that it is implementing is effective. Congress provided in the GENIUS Act that the Act would take effect the earlier of the date that is 18 months after enactment, which would be January 18, 2027, or the date that is 120 days after the date on which the primary Federal payment stablecoin regulators issue any final regulations. Because this final rule is the first final rule issued by a primary Federal payment stablecoin regulator implementing the Act and 120 days following it would be later than January 18, 2027, January 18, 2027, will be the effective date of the Act.

[215] *See* 12 U.S.C. 4802(b)(1)(C) (providing that new regulations and amendments to regulations that impose certain requirements shall take effect on the first day of a calendar quarter which begins on or after the date on which the regulations are published, unless the regulation is required to take effect on a different date pursuant to an Act of Congress).

IV. Expected Effects

The OCC anticipates that the primary effect of the Act and the final rule would be an increase in the aggregate market capitalization of payment stablecoins in response to an increased demand for payment stablecoins due to greater adoption. While the OCC expects that payment stablecoins would still have been issued in the absence of the GENIUS Act, the OCC anticipates that regulatory clarity and regulatory simplification from the final rule will encourage payment stablecoin issuance in the short run beyond the issuance that would have taken place in the absence of the rule.

Consistent with the final rule text, this analysis assumes that permitted payment stablecoin issuers will not pay the holder of a payment stablecoin any form of interest or yield solely in connection with the holding, use, or retention of such payment stablecoin. The analysis below focuses on the increased demand for short-term Treasury debt securities that may follow as a result of the reserve requirements in the rule.

Effect on Cost of Short-Term Treasury Debt Financing

The OCC anticipates that the final rule will benefit the U.S. government and taxpayers by increasing the demand for short-term Treasury debt securities. The rule may raise demand for short-term Treasuries because it requires stablecoin issuers to back outstanding stablecoins with highly liquid assets, which include short-term U.S. Treasury bills with a maturity of 93 days or less.

Because research suggests that short-term Treasury securities do not have close substitutes, an increase in demand for these securities would be expected to lower short-term Treasury yields. Azzimonthi and Quadrini (2024) and Ahmed and Aldasoro (2025) similarly estimate that increased demand for short-term Treasuries arising from stablecoin issuance could have a sizeable impact on short-term Treasury yields and other short-term interest rates.[216]

The final rule's effect on short-term Treasury yields may also be moderated by external factors. For example, the U.S. Treasury could respond to lower financing costs by increasing short-term debt issuance or the Federal Reserve could sell short-term Treasury securities from its balance sheet. Either response would increase supply and partially offset downward pressure on yields.

Overall, the final rule has the potential to lower short-term Treasury financing costs. However, this effect would be offset to the extent that stablecoin reserve demand represents a substitution away from other sources of demand for short-term Treasury securities rather than a net increase in demand. Ultimately, the total effect will be driven by the proposal's net effect on the supply and demand for Treasury debt securities.

Finally, these effects should be evaluated relative to the pre-GENIUS Act baseline. Using a post-GENIUS baseline would risk attributing the effects of new stablecoin issuance on Treasury markets to the GENIUS Act rather than the rule.

Effect of Demand for Short-Term Debt on Other Short-Term Debt Markets

The OCC expects that an increase in demand for short-term Treasury securities resulting from the final rule's reserve requirements could benefit borrowers in short-term debt markets by lowering short-term interest rates overall. This could occur if the reserve requirement increases market demand for short-term government debt, which would put downward pressure on overall short-term market debt yields. For example, the increase in demand for short-term Treasury debt from stablecoin reserve assets could benefit corporate debt issuers by lowering yields on short-term corporate debt issues, potentially raising private sector investment in the economy.

The economic reasoning underlying this effect relies on the assumption that debt instruments with different maturities are imperfect substitutes for investors. Under imperfect substitutability, an increase in demand for short-term Treasury securities represents an increase in overall market demand for short-term debt, which lowers the cost of short-term debt financing if other investors bidding for short-term debt do not shift their demand to long-term debt securities in to obtain higher yields.

In particular, a study by Greenwood, Hanson, and Stein (2010) suggest that an increase in the supply of short-term Treasury debt would raise the relative cost of short-term debt financing relative to long-term financing if new short-term Treasury debt issuance exhausts

[216] For instance, Ahmed and Aldasoro (2025) claim that a $3.5 billion inflow into stablecoins could lower three-month Treasury yields by 2 to 2.5 basis points within 10 days. *See https://www.bis.org/publ/work1270.pdf.* Azzim *https://www.bis.org/publ/work1270.pdf.* Azzimonti and Quadrini (2024) estimate that widespread use of stablecoins, backed by U.S. securities, could put as much as 40 basis points downward pressure on interest rates. *See https://www.aeaweb.org/articles?id=10.1257/pandp.20241069.*

additional market demand for short-term debt.[217]

The OCC expects that an offsetting increase in the demand for short-term Treasury debt to fund stablecoin reserves would neutralize the effect of short-term Treasury debt issuance on the market cost of short-term debt financing as described by Greenwood, Hanson, and Stein (2010). This is because an increase in the demand for short-term Treasury debt from stablecoin reserves would consume some fraction of the additional supply of Treasury debt.

Therefore, the OCC expects that, if the rule's reserve requirements increase the demand for short-term Treasury debt, this could increase the overall market demand for short-term debt and lower the cost of short-term debt for other borrowers, such as short-term corporate debt issuers.

V. Administrative Law Matters

Paperwork Reduction Act

This final rule has been reviewed for compliance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501 *et seq.*). In accordance with the PRA, the OCC may not conduct or sponsor, and an organization is not required to respond to an information collection unless the information collection displays a currently valid Office of Management and Budget (OMB) control number. The OCC has reviewed the final rule and determined that it introduces new information collection requirements pursuant to the PRA. The OCC is seeking a new control number for these information collection requirements and has submitted them to OMB for review and approval.

Title: Reporting, Recordkeeping, and Disclosure Requirements Associated with the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency.

OMB Control No.: 1557–NEW.

Type of Review: Regular.

Affected Public: Businesses or other for-profit.

Description: Twelve CFR part 15 sets forth the OCC's Guiding and Establishing National Innovation for U.S. Stablecoins Act (12 U.S.C. 5901 *et seq.*) regarding the issuance of payment stablecoins and certain related activities by entities subject to the OCC's jurisdiction.

The information collection requirements in the rule are as follows:

Reporting Requirements

Section 15.10(c) sets forth prohibitions that apply to permitted payment stablecoin issuers, including a prohibition on paying interest or yield to payment stablecoin holders solely in connection with the holding, use, or retention of a payment stablecoin and a general prohibition against pledging, rehypothecating, or reusing reserve assets. Section 15.10(c)(5)(iii)(B) permits creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins, such that reserves in the form of Treasury bills with a maturity of 93 days or less may be sold as purchased securities in repurchase agreements, after receiving the prior approval from the OCC, notwithstanding a general prohibition against pledging, rehypothecating, or reusing reserve assets.

Section 15.11(a)(2) requires permitted payment stablecoin issuers to demonstrate the operational capability to access and monetize the identifiable reserve assets to meet redemptions, in both normal and adverse economic, liquidity, market, and interest rate conditions, commensurate with the permitted payment stablecoin issuer's risk profile and business model, taking into account, among other relevant factors, market access, financing channels, haircut assumptions, and operational readiness.

Section 15.11(e) sets forth specific instructions for composition reports, including their preparation requirements. Under § 15.11(e)(2) the composition report is required to use a format like the template provided in Table 1 of § 15.11(e) and contain the total number of outstanding payment stablecoins issued by the issuer and the amount and composition of the reserves described in § 15.11(a), including the average tenor and geographic location of custody of each category of reserve instruments.

Section 15.11(g)(1) requires a permitted payment stablecoin issuer to notify the OCC, through its OCC supervisory office, on any day in which its reserve asset amount has fallen below the minimum reserve asset amount required by § 15.11(a). Under § 15.11(g)(4)(i), if the OCC determines that a permitted payment stablecoin issuer has not demonstrated that it meets the requirements of § 15.11(a), (b), (c), or (d), the OCC may require the issuer to submit a plan describing how the permitted payment stablecoin issuer will attain compliance and the timeline for the plan.

Section 15.12(d)(1) requires a permitted payment stablecoin issuer to provide notice to the OCC within 24 hours if it receives redemption requests in excess of 10 percent of the outstanding issuance value of any brand of payment stablecoin issued by the permitted payment stablecoin issuer in a single 24-hour period. Under § 15.12(d)(2) a permitted payment stablecoin issuer that experiences redemption requests in excess of 10 percent of the outstanding issuance value of any brand of payment stablecoin issued by the permitted payment stablecoin issuer in a single 24-hour period may request that the OCC extend the timeframe for timely redemption.

Section 15.13(a)(3)(i) requires a permitted payment stablecoin issuer to manage interest rate risk in a manner that is appropriate to the size and complexity of the permitted payment stablecoin issuer and the complexity of its assets and liabilities. Section 15.13(a)(3)(ii) requires a permitted payment stablecoin issuer to provide for periodic reporting to management and the board of directors regarding interest rate risk with information sufficient for management and the board of directors to assess, to an extent commensurate with their duties, the level of risk.

Section 15.13(a)(9) provides monetization and stress testing requirements. Under section 15.13(a)(9)(i) a permitted payment stablecoin issuer is required to conduct analyses that consider a range of redemption scenarios to ensure that the reserve asset portfolio, taken as a whole, is capable of supporting timely redemption under both normal and stressed conditions. Section 15.13(a)(9)(ii) further requires a permitted payment stablecoin issuer maintain and demonstrate to the OCC the ability to reliably access and monetize reserve assets necessary to meet redemption requests in normal and stressed conditions, taking into account: market access; financing channels; haircut assumptions; and operational readiness. Finally, § 15.13(a)(9)(iii) requires permitted payment stablecoin issuers to engage in regular stress testing of the reserve asset portfolio in order to determine whether the portfolio of reserve assets will continue to equal or exceed outstanding issuance value in stressed conditions, including in significant positive interest rate scenarios.

Section 15.13(a)(10) covers foreign exchange risk. Section 15.13(a)(10)(iii) requires, before engaging in foreign exchange risk management, that the permitted payment stablecoin issuer

[217] The reference to this study is Greenwood, Hanson, and Stein, *A Gap-Filling Theory of Corporate Debt Maturity Choice, Journal of Finance,* 2010.

provide prior notice to the permitted payment stablecoin issuer's supervisory office and receive the OCC's approval.

Section 15.13(b)(7) sets forth notification of unauthorized access requirements that apply to permitted payment stablecoin issuers. Section 15.13(b)(7)(i)(A) requires, when a permitted payment stablecoin issuer becomes aware of an incident of unauthorized access to sensitive customer information, including a customer's private key, the permitted payment stablecoin issuer must conduct a reasonable investigation. Under § 15.13(b)(7)(i)(B) if the permitted payment stablecoin issuer determines that misuse of its information about a customer has occurred or is reasonably possible to occur, notification to the affected or possibly affected customer and the OCC is required as soon as possible. Customer notice must be delayed if an appropriate law enforcement agency determines that notification will interfere with a criminal investigation and the law enforcement agency provides the permitted payment stablecoin issuer with a written request for the delay. Section 15.13(b)(7)(i)(C) requires the permitted payment stablecoin issuer to notify its customers of the misuse or possible misuse of customer information as soon as the law enforcement agency notifies the permitted payment stablecoin issuer that notification will no longer interfere with the investigation. Under § 15.13(b)(7)(ii), if a permitted payment stablecoin issuer determines that the files of a group of customers have been accessed improperly but is unable to identify which specific customers' information has been accessed and if the circumstances of the unauthorized access lead the permitted payment stablecoin issuer to determine that misuse of the information is reasonably possible, it must notify all customers in the group.

Section 15.14(h) requires all permitted payment stablecoin issuers to submit to the OCC, on a weekly basis, in the manner and form specified by the OCC, a confidential report containing the information requested in the form available at *www.occ.gov*.

Section 15.14(i) covers the quarterly reports of financial condition and its required contents. Under § 15.14(i)(1), all permitted payment stablecoin issuers subject to OCC supervision are required to submit to the OCC a quarterly report on the financial condition of the permitted payment stablecoin issuer, including, but not limited to, income statement, expenses, balance sheet, reserves, changes in equity, investments, capital, outstanding issuance value, and assets under custody, in a standardized format as prescribed by the OCC and within 30 days of the end of the prior quarter. The forms and instructions are available at *www.occ.gov*. Under § 15.14(i)(2), each report of financial condition is required to contain a declaration by the permitted payment stablecoin issuer's Chief Financial Officer, or the individual performing an equivalent function, that the report is true and correct to the best of their knowledge and belief. Under § 15.14(i)(3), the correctness of the report of financial condition is required to be attested to by the signatures of the directors and senior management of the permitted payment stablecoin issuer other than the officer, or the individual performing an equivalent function, making such declaration, with the attestation stating that the report has been examined by them and, to the best of their knowledge and belief, is true and correct.

Section 15.14(j) covers the submission of other reports requested by the OCC. Upon request, all permitted payment stablecoin issuers are required to submit to the OCC a report on the financial condition of the permitted payment stablecoin issuer; the systems of the permitted payment stablecoin issuer for monitoring and controlling financial and operational risks; compliance of the permitted payment stablecoin issuer and any subsidiary thereof with the GENIUS Act, and 12 CFR part 15; and in the case of a Federal qualified nonbank payment stablecoin issuer, compliance of the permitted payment stablecoin issuer with the requirements of the Bank Secrecy Act and with laws authorizing the imposition of sanctions and implemented by the Secretary of the Treasury.

Section 15.14(k) sets forth ongoing compliance reporting. Section 15.14(k)(1) provides that no later than 180 days after the approval of an application, as set forth in § 15.30, and on an annual basis thereafter, a permitted payment stablecoin issuer subject to OCC supervision is required to submit to the OCC a certification that the permitted payment stablecoin issuer has implemented anti-money laundering and economic sanctions compliance programs. The programs are required to be reasonably designed to prevent the permitted payment stablecoin issuer from facilitating money laundering, specifically, facilitating money laundering for cartels and organizations designated as foreign terrorist organizations under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189) and the financing of terrorist activities, consistent with the requirements of the GENIUS Act. Section 15.14(k)(2) additionally requires that the initial certification be provided by the permitted payment stablecoin issuer's board of directors. Subsequent certifications may be provided by the permitted payment stablecoin issuer's Bank Secrecy Act officer, the board of directors, or an appropriate committee of the board of directors.

Section 15.14(l) sets forth audit requirements and requires a permitted payment stablecoin issuer with more than $50 billion in total consolidated outstanding issuance value, that is not subject to certain reporting requirements under the Securities Exchange Act of 1934, prepare, in accordance with GAAP, an annual financial statement. Section 15.14(l)(2) sets forth the requirements for preparing and submitting the audited annual financial statements. Section 15.14(l)(2)(ii) requires a permitted payment stablecoin issuer to submit the audited financial statements annually, within 120 days after the end of the permitted payment stablecoin issuer's fiscal year, to the OCC.

Section 15.14(l)(2)(iii) provides that if a permitted payment stablecoin issuer is unable to timely file all or any portion of the audited annual financial statement required under § 15.14(l)(2)(ii), it must submit a written notice of late filing to the OCC. The notice is required to disclose the permitted payment stablecoin issuer's inability to timely file all, or specified portions, of its annual financial statement and the reasons therefore in reasonable detail; include the date by which the financial statement will be filed; and be filed on or before the deadline for filing the financial statement.

Section 15.14(m) sets forth notice requirements for changes in control of the permitted payment stablecoin issuer. Under this section, a person seeking to acquire control of a permitted payment stablecoin issuer is required to follow the requirements of 12 CFR 5.50 as if the permitted payment stablecoin issuer were a national bank.

Section 15.15(b)(2) sets forth initial notice requirements for State qualified payment stablecoin issuers that are nonbank entities with a total consolidated outstanding issuance value of more than $10 billion. Under the section, a State qualified payment stablecoin issuer with a total consolidated outstanding issuance value of more than $10 billion is required to provide written notification to the OCC within five calendar days after reaching such threshold. The written notification

is required to include: the State or States that currently regulate the State qualified payment stablecoin issuer; the State qualified payment stablecoin issuer's outstanding issuance value as of the date of the notice; the date that the State qualified payment stablecoin issuer first reached the $10 billion total consolidated outstanding issuance value threshold; and an indication of whether and when the State qualified payment stablecoin issuer ceased issuing, on a net basis, new payment stablecoins and whether the State qualified payment stablecoin issuer intends to seek a waiver pursuant to § 15.15(d).

Section 15.15(b)(3) sets forth the capital analysis requirements for State qualified payment stablecoin issuers. Under the section, within 270 days of reaching the $10 billion total consolidated outstanding issuance value threshold, a State qualified payment stablecoin issuer is required to submit a capital analysis to the OCC. The analysis is required to include an analysis of the issuer's current capital position and anticipated capital needs, sufficient to ensure ongoing operations, based on its business model and risk profile. A State qualified payment stablecoin issuer is not required to submit a capital analysis if the issuer has received a waiver pursuant to § 15.15(d) or is not required to transition to the Federal regulatory framework pursuant to § 15.15(b)(1)(ii).

Section 15.15(b)(4) sets forth compliance notice requirements for a State qualified payment stablecoin issuer. Under § 15.15(b)(4)(i), for purposes of complying with § 15.15(b)(1)(i), a State qualified payment stablecoin issuer is required to provide written notification to the OCC that it complies with the Federal regulatory framework under 12 CFR part 15 or, if the State qualified payment stablecoin issuer is not in compliance with the Federal regulatory framework under 12 CFR part 15, to provide written notice identifying the provisions with which the issuer does not comply, providing the issuer's plan for remediating its noncompliance, and explaining why the issuer did not comply with the Federal regulatory framework within the 360-day transition period. Under § 15.15(b)(4)(ii) a State qualified payment stablecoin issuer that does not cease issuing new payment stablecoins in accordance with § 15.15(b)(1)(ii) is required to transition to the regulatory framework under 12 CFR part 15 on the earlier of 360 days after reaching the $10 billion total consolidated outstanding issuance value threshold or the date on which the State qualified payment stablecoin issuer provides written notification under paragraph (b)(4)(i) of this section.

Section 15.15(d)(1)(i) requires a State qualified payment stablecoin issuer seeking to remain solely supervised by a State payment stablecoin regulator to submit to the OCC a written waiver request containing information necessary to evaluate such request under §§ 15.15(d)(2) and (3). In addition, § 15.15(d)(1)(ii) provides that a State qualified payment stablecoin issuer seeking to remain solely supervised by a State payment stablecoin regulator is required to submit a waiver request within 240 days of reaching the $10 billion total consolidated outstanding issuance value threshold.

Section 15.30(a)(1) sets forth application requirements for insured national banks, Federal savings associations, and insured Federal branches. This section provides that any insured national bank, Federal savings association, or insured Federal branch that seeks to issue payment stablecoins through a subsidiary is required to file an application under this section and receive prior approval from the OCC before the subsidiary may issue payment stablecoins.

Section 15.30(a)(2) sets forth application requirements for nonbank entities, uninsured national banks, and uninsured Federal branches. This section provides that any nonbank entity, uninsured national bank, or uninsured Federal branch that seeks to issue payment stablecoins as a Federal qualified payment stablecoin issuer is required to file an application under this section and receive prior approval from the OCC before issuing payment stablecoins.

Section 15.30(b) sets forth the application process for insured national banks, Federal savings associations, insured Federal branches and nonbank entities, uninsured national banks, and uninsured Federal branches that seek to issue payment stablecoins. The process would require an applicant to submit all the information required by the form for an application under this section. The forms and instructions are available on the OCC's website. Each director, executive officer, and principal shareholder of the applicant (or in the case of an applicant that is an insured national bank, Federal savings association, or insured Federal branch, of the subsidiary of the applicant) is required to submit the information prescribed in the Interagency Biographical and Financial Report and Corporate Background and Financial Report,[218] available at the OCC's website. An applicant is required to certify that any filing or supporting material submitted to the OCC contains no material misrepresentations or omissions. An applicant is also required to certify whether section 4(a)(12) of the GENIUS Act (12 U.S.C. 5903(a)(12)) applies to the applicant. The process provides that an applicant should address an application under this section to the appropriate OCC licensing office, unless the OCC advises an applicant otherwise. The OCC will consider an application substantially complete if it contains sufficient information for the OCC to render a decision on whether the applicant satisfies the factors set forth in § 15.30(d). The OCC will notify applicants not later than 30 days after receipt of an application whether the application is substantially complete. If the application is not substantially complete, the OCC will notify the applicant of the information required in order for the application to be substantially complete.

Section 15.30(f) sets forth the OCC's appeal process following the agency's denial of a substantially complete application. Section 15.30(f)(1) provides that an applicant may request a hearing to appeal the OCC's denial of a substantially complete application within 30 days of receipt of the OCC's notice of denial. The request for a hearing is required to be in writing. The applicant may request the hearing be on the written record, oral testimony and oral argument, or both. Section 15.30(f)(3) further provides that if filing a written appeal, the applicant must submit in writing all documents and arguments that the applicant wishes to be considered.

Section 15.30(g)(1) provides that an insured national bank, Federal savings association, or insured Federal branch that has a pending substantially complete application for a subsidiary to become a permitted payment stablecoin issuer may request that the OCC waive the requirements of the GENIUS Act (12 U.S.C. 5901 *et seq.*) or part 15 with respect to that subsidiary. The requests are required to be in writing.

Section 15.30(g)(2) provides that a nonbank entity, uninsured national bank, or uninsured Federal branch that has a pending substantially complete application to become a Federal qualified payment stablecoin issuer may request that the OCC waive the

[218] The reporting burden associated with the Interagency Biographical and Financial Report and Corporate Background and Financial Report are covered under OMB control number 1557–0014.

requirements of the GENIUS Act (12 U.S.C. 5901 *et seq.*) or part 15 with respect to that entity. The requests are required to be in writing.

Section 15.31(a) provides that a foreign payment stablecoin issuer is not subject to the prohibitions of section 3 of the GENIUS Act (12 U.S.C. 5902) if it meets all the requirements provided in the paragraph. Section 15.31(a)(3)(ii)(D)(*1*) provides, as a condition of one of several methods of complying with § 15.31(a)(3)(i), a requirement for a foreign payment stablecoin issuer to submit for the OCC's prior approval a detailed proposal to meet the requirements of § 15.31(a)(3)(i).

Section 15.31(b)(2) sets forth reporting requirements for foreign payment stablecoin issuers registered with the OCC. Section 15.31(b)(2)(i) provides that a foreign payment stablecoin issuer registered with the OCC pursuant to § 15.32 is required to produce the reports required of a permitted payment stablecoin issuer under § 15.14 as well as any other reports the OCC may require. Section 15.31(b)(2)(ii) further provides that a foreign payment stablecoin issuer may request, in writing, an exemption from any reporting requirement that would otherwise apply under § 15.14. The OCC may grant an exemption in its sole discretion.

Section 15.32(a) sets forth application requirements for a foreign payment stablecoin issuer. This section provides that a foreign payment stablecoin issuer that seeks to be registered with the OCC under section 18(c) of the GENIUS Act (12 U.S.C. 5916(c)) is required to file an application under this section.

Section 15.32(b) sets forth the application process for a foreign payment stablecoin issuer that seeks to be registered with the OCC under section 18(c) of the GENIUS Act (12 U.S.C. 5916(c)). The process requires an applicant to provide all the information required by the form for an application under this section; evidence that the Secretary of the Treasury has determined that the applicant is subject to a regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins, under section 18 of the GENIUS Act (12 U.S.C. 5916); a certification that the applicant will make available to the OCC all information that the OCC deems necessary to determine and enforce compliance with the GENIUS Act and 12 CFR part 15; the applicant's consent to United States jurisdiction relating to enforcement of the GENIUS Act and 12 CFR part 15; certification that any filing or supporting material submitted to the OCC contains no material misrepresentations or omissions; and certification as to the applicability of section 4(a)(12) of the GENIUS Act (12 U.S.C. 5903(a)(12)). The process provides that an applicant should address an application under this section to the appropriate OCC licensing office, unless the OCC advises an applicant otherwise. The forms and instructions will be available on the OCC's website.

Section 15.32(e) sets forth the conditions of approval for foreign payment stablecoin issuers seeking to be registered with the OCC under section 18(c) of the GENIUS Act (12 U.S.C. 5916(c)). Section 15.32(e)(3)(i) requires a foreign payment stablecoin issuer to provide evidence that it complies with § 15.31(a) by providing to the OCC, by noon on the last day of each month, a report describing the total number of outstanding payment stablecoins issued by the foreign payment stablecoin issuer held by United States customers and the amount and composition of the foreign payment stablecoin issuer's reserves, including their geographic location and average tenor of reserve instruments. Additionally, § 15.32(e)(3)(ii) requires the report to use a format like the template provided in Table 1 to § 15.32(e)(3)(ii). Section 15.32(e)(3)(iii) requires the foreign payment stablecoin issuer to promptly notify the OCC through its supervisory office on any day in which the issuer fails to meet the reserve asset requirements of § 15.32(e)(3).

Section 15.32(g) sets forth the OCC's appeal of rejection processes for foreign payment stablecoin issuers. A foreign payment stablecoin issuer may request a hearing to appeal the OCC's rejection of an application for registration within 30 days of receipt of the OCC's notice of rejection. Section 15.32(g)(2) requires the request for a written or oral hearing to be in writing. Under § 15.32(g)(3), the foreign payment stablecoin issuer may request the hearing be on the written record, oral testimony and oral argument, or both. Section 15.32(g)(5) further provides that if filing a written appeal, the foreign payment stablecoin issuer must submit in writing all documents and arguments that the applicant wishes to be considered.

Section 15.40(c) describes operational backstop debt which may consist of debt instruments in an amount that in total does not exceed 50 percent of the operational backstop requirement in § 15.41(b) and where each debt instrument meets specific criteria. Under § 15.40(c)(5), a debt instrument may be callable by its terms only after a minimum of five years after issuance and only with prior approval of the OCC. In addition, the permitted payment stablecoin issuer is required to either replace the instrument to be called with an equivalent amount of a new instrument meeting the criteria for operational backstop debt or demonstrate to the OCC that the permitted payment stablecoin issuer has sufficient capital to meet its minimum capital requirement in § 15.41.

Section 15.41 sets forth minimum capital and backstop requirements for permitted payment stablecoin issuers. Section 15.41(b)(1)(iii) provides that a permitted payment stablecoin issuer may exclude one-time expenses that are wholly unrelated to the continuing operation of the permitted payment stablecoin issuer from the calculation under §§ 15.41(b)(1)(i) or (ii) with prior written approval of the OCC.

Section 15.41(c)(1)(i) requires a permitted payment stablecoin issuer to notify the OCC within 24 hours if it fails to meet either the minimum capital or backstop requirement during a quarter. Section 15.41(c)(1)(ii) further instructs a permitted payment stablecoin issuer to publicly report whether it has complied with the minimum capital and backstop requirements during the quarter on the report required under § 15.14.[219]

Section 15.41(d) sets forth uninsured national trust banks' minimum capital requirements. Under § 15.41(d)(1), an uninsured national trust bank, whether or not it is a permitted payment stablecoin issuer, may elect to comply with all of the requirements in §§ 15.40 through 15.42 in lieu of complying with the requirements in 12 CFR part 3 upon receipt of the OCC's prior approval. Section 15.41(d)(2) instructs that, to make the election described in § 15.41(d)(1), an uninsured national trust bank must submit a written request for prior approval to the appropriate OCC supervisory office, along with documentation sufficient to support the bank's minimum capital and operational backstop amounts. Section 15.41(d)(4) further provides that an uninsured national trust bank may rescind an approved election under § 15.41(d) by submitting a notice to the appropriate OCC supervisory office.

Section 15.42 sets forth individual additional capital or operational backstop requirements for permitted payment stablecoin issuers. Section 15.42(c)(2)(i) provides that a permitted payment stablecoin issuer may respond to any or all of the items in the notice sent by the OCC notifying the permitted payment stablecoin issuer in writing of the proposed additional capital or

[219] Reporting burden is covered under section 15.14(i).

backstop requirement and the date by which it should be reached (if applicable). The response is required to be in writing and delivered to the OCC within 30 days after the date on which the permitted payment stablecoin issuer received the notice or such other time period as the OCC determines appropriate based on the condition of the permitted payment stablecoin issuer.

Section 15.42(c)(3) sets forth the OCC's decision process in determining whether the individual additional capital or backstop requirement should be established for a permitted payment stablecoin issuer and, if so, the requirement and the date the requirement will become effective. Section 15.42(c)(4) provides that the OCC's decision may require the permitted payment stablecoin issuer to develop and submit to the OCC, within a time period specified, an acceptable plan to reach the additional capital or backstop requirement established for the permitted payment stablecoin issuer by the date required.

Recordkeeping Requirements

Section 15.11(a)(1) requires a permitted payment stablecoin issuer to maintain reserve assets that are identifiable, are segregated from and not commingled with other assets owned or held by the permitted payment stablecoin issuer, at all times have a reserve asset value that equals or exceeds the outstanding issuance value of the permitted payment stablecoin issuer, and are either held directly by the permitted payment stablecoin issuer or within the custody of an eligible financial institution.

Section 15.11(f)(1) requires a permitted payment stablecoin issuer to, each month, have the information disclosed in the previous month-end report required under § 15.11(e) examined by a registered public accounting firm. Section 15.11(f)(2) requires that each month, the Chief Executive Officer and Chief Financial Officer (or the persons performing the equivalent functions) of a permitted payment stablecoin issuer submit to the OCC a certification that the monthly report required under § 15.11(e) is accurate.

Section 15.12(c) requires a permitted payment stablecoin issuer's redemption policy to provide clear and conspicuous procedures for timely redemption of outstanding payment stablecoins. Timely redemption may not exceed two business days following the date of the requested redemption and any discretionary limitations on timely redemptions can only be imposed by the OCC or, in the case of a State qualified payment stablecoin issuer, by the OCC, Board, or the State payment stablecoin regulator, as applicable.

Section 15.13(a)(1) covers internal controls and information systems. A permitted payment stablecoin issuer is required to have internal controls and information systems to support effective risk management that are appropriate for the size and complexity of the permitted payment stablecoin issuer and the nature, scope, and risk of its activities. The internal controls are required to provide for: an organizational structure that establishes clear lines of authority and responsibility for monitoring adherence to established policies, including appropriate segregation of duties and dual controls; effective risk assessment; timely and accurate financial, operational, and regulatory reporting, including with respect to the reports required under 12 CFR part 15; adequate procedures to monitor, safeguard, manage, control, and monetize assets, including reserve assets; and compliance with applicable laws and regulations.

Section 15.13(a)(2) covers internal audit systems. A permitted payment stablecoin issuer is required to have an internal audit system that is appropriate to the size and complexity of the permitted payment stablecoin issuer and the nature, scope, and risk of its activities. The internal audit system is required to provide for adequate monitoring of the system of internal controls through an internal audit function or if the size, complexity, or scope of operations of the permitted payment stablecoin issuer does not warrant a full-scale internal audit function, a system of independent reviews of key internal controls. Additionally, the internal audit system is required to provide: independence and objectivity; qualified persons responsible for the audit function; and adequate independent testing and review of internal controls and information systems, verification of published information available to customers, calculations for required reserves, and regulatory filings. The internal audit system must also provide for adequate documentation of tests and findings and any corrective actions; verification and review of management actions to address deficiencies; and review by the permitted payment stablecoin issuer's audit committee or board of directors of the effectiveness of the internal audit systems.

Section 15.13(a)(5) requires a permitted payment stablecoin issuer to establish and maintain a system that is commensurate with the permitted payment stablecoin issuer's size and complexity and the nature and scope of its operations to evaluate and monitor earnings and ensure that earnings are sufficient to support operations and maintain the capital levels required by subpart E of 12 CFR part 15.

Section 15.13(a)(6)(i)(D) requires that a permitted payment stablecoin issuer ensure that transactions between the permitted payment stablecoin issuer and insiders or affiliates alone, or in the aggregate, are appropriately documented and reviewed by the board of directors.

Section 15.13(a)(10)(ii)(D) requires a permitted payment stablecoin issuer to have in place policies and procedures that appropriately manage its foreign exchange risk and any attendant risks, including risks related to the posting or collection of margin, foreign exchange counterparties, and basis risk. The policies and procedures must include adherence to §§ 15.13(a)(10)(iii) and (iv).

Section 15.13(b) covers information technology and security programs. Section 15.13(b)(1) requires a permitted payment stablecoin issuer to implement a comprehensive written information security risk and control framework, including a program that assesses and manages information technology and information security risks. Section 15.13(b)(2) requires the board of directors or an appropriate board committee to approve the information technology and security program and oversee the development, implementation, and maintenance of the program, including the appointment of a qualified individual responsible for the program. Such oversight includes assigning specific responsibility for program implementation and review of program-related reports. Section 15.13(b)(3) requires a permitted payment stablecoin issuer's information technology and security program include: an inventory and classification of assets, processes, and sensitivity of data; controls supporting and safeguarding sensitive information and processes; evaluation, validation, and reporting processes to ensure that key information technology systems and controls, including smart contracts, are operating as intended; periodic independent testing; and a comprehensive and effective incident identification and assessment process and incident response program. Section 15.13(b)(4) requires that a permitted payment stablecoin issuer's information technology and security program includes administrative, technical, and physical safeguards designed to ensure the security and confidentiality of records containing nonpublic personal

information about a customer or sensitive customer information. The program must also protect against any anticipated threats or hazards to the security or integrity of such records, protect against unauthorized access to or use of such records that could result in substantial harm or inconvenience to any customer, and to ensure the proper disposal of such records. Section 15.13(b)(6)(i) provides that a permitted payment stablecoin issuer must monitor any relevant changes in technology, the sensitivity of its customer information, internal or external threats, and the permitted payment stablecoin issuer's own changing business arrangements, such as mergers and acquisitions, alliances and joint ventures, third-party arrangements, and changes to applicable information systems. Under § 15.13(b)(6)(ii), a permitted payment stablecoin issuer is required to evaluate and adjust its information technology and security program, as appropriate, based on the monitoring required by § 15.13(b)(6)(i). Finally, § 15.13(b)(8) requires a permitted payment stablecoin issuer's information technology and security program include measures to ensure continuity of operations and recovery of critical functions, including by conducting business impact analyses, testing for vulnerabilities, and testing with critical service providers.

Section 15.13(b)(5) requires a permitted payment stablecoin issuer to develop, implement, and maintain appropriate measures to ensure secure handling of digital assets, including private key management, backup, and recovery incorporating: (i) relevant technical, operational, strategic, market, legal, and compliance considerations relating to each digital asset and its underlying ledger; and (ii) material developments specifically related to supported digital assets and their underlying ledgers.[220]

Section 15.14(f) requires all permitted payment stablecoin issuers to maintain a complete set of books and records in English.

Section 15.14(g) requires all permitted payment stablecoin issuers to develop and implement a records retention policy that ensures the permitted payment stablecoin issuer can demonstrate compliance with the GENIUS Act, 12 CFR part 15, and all applicable laws and regulations.

Section 15.14(l)(1) requires a registered public accounting firm to perform an audit of the financial statements described in § 15.14(l) and sets forth the auditing requirements.

Section 15.15(b) covers the requirements related to a State qualified payment stablecoin issuer that is a nonbank entity transitioning to the OCC's regulatory framework pursuant to section 4 of the GENIUS Act (12 U.S.C. 5903). Sections 15.15(b)(1)(i) and (ii) require a State qualified payment stablecoin issuer with a total consolidated outstanding issuance value of more than $10 billion to no later than 360 days after reaching such threshold, transition to the Federal regulatory framework under 12 CFR part 15 and comply with the provisions of this part applicable to Federal qualified payment stablecoin issuers or cease issuing, on a net basis, new payment stablecoins until the issuer is under the $10 billion total consolidated outstanding issuance value threshold. Additionally, § 15.15(b)(4)(ii) provides that a State qualified payment stablecoin issuer that does not cease issuing new payment stablecoins in accordance with § 15.15(b)(1)(ii) would be required to transition to the regulatory framework under this part on the earlier of 360 days after reaching the $10 billion outstanding issuance value threshold or the date on which the State qualified payment stablecoin issuer provides written notification under § 15.15(b)(4)(i).

Section 15.21 sets forth covered asset custodial property requirements. Section 15.21(b)(1) provides that a covered custodian is required to take appropriate steps to protect the covered assets of covered customers from the claims of creditors of the covered custodian and any sub-custodian, as applicable, through adopting, implementing, and maintaining written custody agreements and policies, procedures, and internal controls that are adequate to comply with applicable law and that are commensurate with the covered custodian's size, complexity, and risk profile and with the nature of the applicable covered assets for which it provides custodial services or safekeeping services. Section 15.21(b)(2)(i) further provides that a covered custodian may maintain the covered assets of a covered customer through the use of a sub-custodian if consistent with applicable law, provided that the covered custodian maintains adequate safeguards and internal controls reasonably designed to provide the covered custodian with oversight of the sub-custodian's compliance with the requirements of 12 CFR part 15, subpart C.

Section 15.22 sets forth the use of omnibus accounts. Under § 15.22(c), a sub-custodian may, for convenience, commingle the covered custodian's assets with the covered assets of its covered customers in one or more omnibus accounts of the sub-custodian; provided that the covered custodian maintains adequate safeguards and internal controls reasonably designed to ensure that the sub-custodian segregates all covered assets of the covered custodian's covered customers from, and does not commingle such covered assets with, the assets of the sub-custodian.

Section 15.41(a)(2)(ii) requires a permitted payment stablecoin issuer to have a process for assessing its overall capital adequacy in relation to its business model and risk profile and a comprehensive strategy for sustaining an appropriate level of capital to maintain ongoing operations.

Section 15.41(c)(5) provides that among other criteria, the OCC may permit a permitted payment stablecoin issuer to continue operations while its operational backstop is below the required amount, if the permitted payment stablecoin issuer provides a plan within seven days to regain compliance with the operational backstop requirement within 90 days, and the OCC deems the plan viable.

Disclosure Requirements

Section 15.11(e) sets forth the specific disclosure requirements for composition reports. Section 15.11(e)(1) requires a permitted payment stablecoin issuer by noon on the last day of each month, to publish on the website of the issuer the monthly composition of the issuer's reserves held pursuant to the GENIUS Act as of noon on the last day of the previous month.

Section 15.12(b) requires a permitted payment stablecoin issuer to publicly disclose its redemption policy and include: the timeframe in which the issuer will redeem payment stablecoins and the timeframe under which the issuer is required to redeem payment stablecoins under § 15.12(c)(1)(i); a statement explaining the limitation in § 15.12(c)(1)(ii); a statement explaining the scenarios under which the redemption period may be extended as described in § 15.12(d); a statement with clear instructions on how a payment stablecoin holder can redeem a payment stablecoin, including a link to the

[220] If a permitted payment stablecoin issuer holds digital assets on a customer's behalf, the permitted payment stablecoin issuer's risk management practices must reflect this activity. Consistent with the July 14, 2025 *Joint Statement on Risk-Management Considerations for Crypto-Asset Safekeeping*, permitted payment stablecoin issuers holding digital assets on a customer's behalf would be required to maintain risk management practices, and information security practices in particular, that reflect a permitted payment stablecoin issuer's capacity to understand a complex and evolving asset class, ability to ensure a strong control environment, and appropriate contingency plans to address unanticipated challenges in effectively providing services to customers.

website(s) where a payment stablecoin holder can redeem the payment stablecoin; and the minimum number of payment stablecoins, if any, that the permitted payment stablecoin issuer will redeem, provided that the issuer must redeem any number greater than or equal to one payment stablecoin, subject to appropriate customer screening and onboarding.

Section 15.12(e) sets forth purchase and redemption disclosures and fee requirements. Section 15.12(e)(1) requires a permitted payment stablecoin issuer to publicly, clearly, and conspicuously disclose in plain language and in a format that is readily noticeable to payment stablecoin holders, and segregated from other information: the name of the permitted payment stablecoin issuer that issues the payment stablecoin; that the permitted payment stablecoin issuer is the entity that is obligated to convert, redeem, or repurchase the payment stablecoin for a fixed amount of monetary value; the website that contains a link to the monthly composition report of the relevant permitted payment stablecoin issuer's reserves required under § 15.11(e); all fees associated with purchasing or redeeming payment stablecoins; that the payment stablecoin is not legal tender, issued by the United States, or guaranteed or approved by the United States; and that payment stablecoins are not deposits, not backed by the full faith and credit of the United States, not subject to deposit insurance by the FDIC, and not subject to share insurance by the National Credit Union Administration. Additionally, § 15.12(e)(2) requires the permitted payment stablecoin issuer to update the disclosures in § 15.12(e)(1)(iv) if there are any changes in fees associated with purchasing or redeeming payment stablecoins and provide payment stablecoin holders at least seven calendar days' prior notice of the change, including by delivering the notice to customers with whom the permitted payment stablecoin issuer has a current relationship. Section 15.12(e)(3) also requires a permitted payment stablecoin issuer to publish the disclosures in § 15.12(e)(1) and any updates made in accordance with § 15.12(e)(2) on the permitted payment stablecoin issuer's website. Section 15.12(e)(4) also requires the permitted payment stablecoin issuer to include the disclosures in § 15.12(e)(1) and any updates made in accordance with § 15.12(e)(2) in any customer agreements.

Section 15.14(l) requires that the described annual financial statement includes the disclosure of any related party transactions, as defined by GAAP.

Section 15.14(l)(2)(i) requires a permitted payment stablecoin issuer to make the audited financial statements under § 15.15(14)(l), publicly available on the permitted payment stablecoin issuer's website.

Section 15.22(b) provides that a covered custodian may, for convenience, commingle the covered assets of multiple covered customers in one or more omnibus accounts to the extent that the steps it has taken pursuant to § 15.21(b) are adequate to maintain safe and sound practices for the use and terms of any omnibus account, and to the extent that the use of omnibus accounts is consistent with applicable law, and is fully disclosed in the applicable custody agreement.

Section 15.32(e) sets forth the conditions of approval for foreign payment stablecoin issuers seeking to be registered with the OCC under section 18(c) of the GENIUS Act (12 U.S.C. 5916(c)). Sections 15.32(e)(1) and (2) provide that upon request by the OCC, foreign payment stablecoin issuers are required to grant the OCC prompt and complete access to all officers, directors, employees, and agents and to all relevant books, records, or documents of any type, in a form and location accessible to the OCC in the United States. The foreign payment stablecoin issuer is also required to make all information available to the OCC in English.

Estimated Burden

Frequency: Weekly, monthly, quarterly, annually, event-generated, and on occasion.

Respondents: National banks, Federal savings associations, Federal qualified payment stablecoin issuers, State qualified payment stablecoin issuers, foreign issuers.

SUMMARY OF TOTAL ESTIMATED ANNUAL BURDEN

	Estimated number of respondents	Estimated frequency of response	Estimated average hours per response	Estimated annual burden hours
Initial Set-up				
Reporting Burden				
Section 15.10(c)(5)(iii)(B)	39	1	4	156
Section 15.11(a)(2)	39	1	4	156
Section 15.11(e)(2)	39	1	1	39
Section 15.11(e) Table	39	1	1	39
Section 15.11(g)(1)	39	1	1	39
Section 15.11(g)(4)(i)	39	1	4	156
Section 15.12(d)(1)	1	1	0.5	0.5
Section 15.12(d)(2)	1	1	0.5	0.5
Section 15.13(a)(3)	39	1	160	6,240
Section 15.13(a)(9)(i)	39	1	160	6,240
Section 15.13(a)(9)(ii)	39	1	160	6,240
Section 15.13(a)(9)(iii)	39	1	160	6,240
Section 15.13(a)(10)(iii)	1	1	1	1
Section 15.13(b)(7)(i)	39	1	4	156
Section 15.13(b)(7)(ii)	39	1	4	156
Section 15.14(h)	39	1	16	624
Section 15.14(i)	39	1	80	3,120
Section 15.14(j)	39	1	16	624
Section 15.14(k)	39	1	80	3,120
Section 15.14(l)(1)	1	1	40	40
Section 15.14(l)(2)(ii)	1	1	480	480
Section 15.14(l)(2)(iii)	1	1	8	8

SUMMARY OF TOTAL ESTIMATED ANNUAL BURDEN—Continued

	Estimated number of respondents	Estimated frequency of response	Estimated average hours per response	Estimated annual burden hours
Section 15.14(m)	39	1	2	78
Section 15.15(b)(2)	1	1	4	4
Section 15.15(b)(3)	1	1	40	40
Section 15.15(b)(4)	1	1	8	8
Section 15.15(d)(1)	1	1	8	8
Section 15.30(a)(1)	25	1	1	25
Section 15.30(a)(2)	14	1	1	14
Section 15.30(b) [221]	25	1	40	1,000
Section 15.30(f)(1)	14	1	1	14
Section 15.30(f)(3)	1	1	40	40
Section 15.30(g)(1)	25	1	8	200
Section 15.30(g)(2)	14	1	8	112
Section 15.31(a)(3)(ii)(D)(*1*)	1	1	40	40
Section 15.31(b)(2)(i)	1	1	80	80
Section 15.31(b)(2)(ii)	1	1	1	1
Section 15.32(a)	1	1	1	1
Section 15.32(b)	1	1	80	80
Section 15.32(e)(3)(i)	1	1	1	1
Section 15.32(e)(3)(ii)	1	1	1	1
Section 15.32(e)(3)(ii) Table	1	1	10	10
Section 15.32(e)(3)(iii)	1	1	1	1
Section 15.32(g)(2)	1	1	1	1
Section 15.32(g)(5)	1	1	1	1
Section 15.40(c)(5)	39	1	1	39
Section 15.41(b)(1)(iii)	39	1	1	39
Section 15.41(c)(1)(i)	39	1	1	39
Section 15.41(c)(1)(ii)	39	1	1	39
Section 15.41(d)(1)	1	1	1	1
Section 15.41(d)(2)	1	1	2	2
Section 15.41(d)(4)	1	1	1	1
Section 15.42(c)(2)(i)	39	1	40	1,560
Section 15.42(c)(4)	39	1	40	1,560
Total Reporting Burden				38,915
Recordkeeping Burden				
Section 15.11(a)(1)	39	1	40	1,560
Section 15.11(f)(1)	39	1	8	312
Section 15.11(f)(2)	39	1	8	312
Section 15.12(c)	39	1	8	312
Section 15.13(a)(1)	39	1	80	3,120
Section 15.13(a)(2)	39	1	80	3,120
Section 15.13(a)(5)	39	1	80	3,120
Section 15.13(a)(6)(i)(D)	39	1	8	312
Section 15.13(a)(10)(ii)(D)	1	1	40	40
Section 15.13(b)(1), (2), (3), (4), (6), and (8)	39	1	160	6,240
Section 15.13(b)(5)	39	1	80	3,120
Section 15.14(f)	39	1	40	1,560
Section 15.14(g)	39	1	40	1,560
Section 15.14(l)(1)	1	1	1	1
Section 15.15(b)(1)(i) and (ii)	1	1	160	160
Section 15.15(b)(4)(ii)	1	1	1	1
Section 15.21(b)(1)	21	1	8	168
Section 15.21(b)(2)(i)	1	1	1	1
Section 15.22(c)	1	1	1	1
Section 15.41(a)(2)(ii)	39	1	40	1,560
Section 15.41(c)(5)	39	1	40	1,560
Total Recordkeeping Burden				28,140
Disclosure Burden				
Section 15.11(e)(1)	39	1	40	1,560
Section 15.12(b)	39	1	0.5	19.5
Section 15.12(e)	39	1	16	624
Section 15.14(l)	1	1	4	4
Section 15.14(l)(2)(i)	1	1	16	16
Section 15.22(b)	1	1	1	1
Section 15.32(e)(1) and (2)	1	1	8	8
Total Disclosure Burden				2,233 (rounded)
Total Initial Set-up				69,288

SUMMARY OF TOTAL ESTIMATED ANNUAL BURDEN—Continued

	Estimated number of respondents	Estimated frequency of response	Estimated average hours per response	Estimated annual burden hours
Ongoing Compliance				
Reporting Burden				
Section 15.10(c)(5)(iii)(B)	39	1	1	39
Section 15.11(a)(2)	39	1	16	624
Section 15.11(e)(2)	39	12	2	936
Section 15.11(e) Table	39	12	2	936
Section 15.11(g)(1)	39	1	1	39
Section 15.11(g)(4)(i)	39	1	8	312
Section 15.12(d)(1)	1	1	1	1
Section 15.12(d)(2)	1	1	1	1
Section 15.13(a)(3)	39	1	1	39
Section 15.13(a)(9)(i)	39	1	1	39
Section 15.13(a)(9)(ii)	39	1	1	39
Section 15.13(a)(9)(iii)	39	1	1	39
Section 15.13(a)(10)(iii)	1	1	1	1
Section 15.13(b)(7)(i)	39	1	1	39
Section 15.13(b)(7)(ii)	39	1	1	39
Section 15.14(h)	39	52	2	4,056
Section 15.14(i)	39	4	16	2,496
Section 15.14(j)	39	1	40	1,560
Section 15.14(k)	39	1	8	312
Section 15.14(l)(1)	1	1	4	4
Section 15.14(l)(2)(ii)	1	1	40	40
Section 15.14(l)(2)(iii)	1	1	16	16
Section 15.14(m)	39	1	2	78
Section 15.15(b)(2)	1	1	1	1
Section 15.15(b)(3)	1	1	1	1
Section 15.15(b)(4)	1	1	1	1
Section 15.15(d)(1)	1	1	1	1
Section 15.30(a)(1)	25	1	1	25
Section 15.30(a)(2)	14	1	1	14
Section 15.30(b) [222]	25	1	1	25
Section 15.30(f)(1)	14	1	1	14
Section 15.30(f)(3)	1	1	1	1
Section 15.30(g)(1)	25	1	1	25
Section 15.30(g)(2)	14	1	1	14
Section 15.31(a)(3)(ii)(D)(*1*)	1	1	1	1
Section 15.31(b)(2)(i)	1	1	80	80
Section 15.31(b)(2)(ii)	1	1	1	1
Section 15.32(a)	1	1	1	1
Section 15.32(b)	1	1	1	1
Section 15.32(e)(3)(i)	1	12	1	12
Section 15.32(e)(3)(ii)	1	12	1	12
Section 15.32(e)(3)(ii) Table	1	12	2	24
Section 15.32(e)(3)(iii)	1	1	1	1
Section 15.32(g)(2)	1	1	1	1
Section 15.32(g)(5)	1	1	1	1
Section 15.40(c)(5)	39	1	1	39
Section 15.41(b)(1)(iii)	39	1	1	39
Section 15.41(c)(1)(i)	39	4	0.5	78
Section 15.41(c)(1)(ii)	39	4	0.5	78
Section 15.41(d)(1)	1	1	1	1
Section 15.41(d)(2)	1	1	1	1
Section 15.41(d)(4)	1	1	1	1
Section 15.42(c)(2)(i)	39	1	1	39
Section 15.42(c)(4)	39	1	1	39
Total Reporting Burden	.....	.....	.....	12,257
Recordkeeping Burden				
Section 15.11(a)(1)	39	12	4	1,872
Section 15.11(f)(1)	39	12	2	936
Section 15.11(f)(2)	39	12	0.25	117
Section 15.12(c)	39	1	4	156
Section 15.13(a)(1)	39	1	1	39
Section 15.13(a)(2)	39	1	1	39
Section 15.13(a)(5)	39	1	1	39
Section 15.13(a)(6)(i)(D)	39	1	1	39
Section 15.13(a)(10)(ii)(D)	1	1	1	1
Section 15.13(b)(1), (2), (3), (4), (6), and (8)	39	1	1	39

SUMMARY OF TOTAL ESTIMATED ANNUAL BURDEN—Continued

	Estimated number of respondents	Estimated frequency of response	Estimated average hours per response	Estimated annual burden hours
Section 15.13(b)(5)	39	1	1	39
Section 15.14(f)	39	1	8	312
Section 15.14(g)	39	1	1	39
Section 15.14(l)(1)	1	1	1	1
Section 15.15(b)(1)(i) and (ii)	1	1	1	1
Section 15.15(b)(4)(ii)	1	1	1	1
Section 15.21(b)(1)	21	1	1	21
Section 15.21(b)(2)(i)	1	1	1	1
Section 15.22(c)	1	1	1	1
Section 15.41(a)(2)(ii)	39	1	1	39
Section 15.41(c)(5)	39	1	1	39
Total Recordkeeping Burden				3,771
Disclosure Burden				
Section 15.11(e)(1)	39	12	8	3,744
Section 15.12(b)	39	1	0.5	19.5
Section 15.12(e)	39	1	1	39
Section 15.14(l)	1	1	8	8
Section 15.14(2)(i)	1	1	8	8
Section 15.22(b)	1	1	1	1
Section 15.32(e)(1) and (2)	1	1	1	1
Total Disclosure Burden				3,821 (rounded)
Total Ongoing Compliance				19,849
Grand Total				89,137

Total estimated annual burden hours: 89,137 (69,288 hours for initial setup and 19,849 hours for ongoing compliance).

Comments on aspects of this document that may affect reporting, recordkeeping, or disclosure requirements and burden estimates should be sent within 30 days of publication of this document to *www.reginfo.gov/public/do/PRAMain*. Find this information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or using the search function.

Regulatory Flexibility Act

In general, the Regulatory Flexibility Act (RFA) [223] requires an agency, in connection with a final rule, to prepare a final regulatory flexibility analysis describing the impact of the rules on small entities (defined by the United States Small Business Administration (SBA) for purposes of the RFA to include commercial banks and savings institutions with total assets of $850 million or less and trust companies with total assets of $47 million or less). However, under section 605(b) of the RFA, this analysis is not required if an agency certifies that the rule would not have a substantial economic impact on a substantial number of small entities and publishes its certification and a short explanatory statement in the **Federal Register** along with its rule.

The OCC currently supervises 986 institutions (national banks, Federal savings associations, and branches or agencies of foreign banks),[224] of which approximately 602 are small entities under the RFA.[225]

In general, the OCC classifies the economic impact on an individual small entity as significant if the total estimated impact in one year is greater than 5 percent of the small entity's total annual salaries and benefits or greater than 2.5 percent of the small entity's total non-interest expense. Furthermore, the OCC considers 5 percent or more of OCC-supervised small entities to be a substantial number, and at present, 30 OCC-supervised small entities would constitute a substantial number.

Given that all current OCC banks and nonbank issuers that issue stablecoins generally have issuance of over $1 billion and are not considered small entities, it is unlikely that there will be a significant number of small entities affected by the final rule. Even if the final rule may impact some OCC-supervised small entities, it would likely not be a substantial number of small entities. The OCC notes that, to the extent there is any impact, the impact would likely result in some cost savings for those institutions. For these reasons, the OCC certifies that this final rule will not have a substantial impact on a substantial number of small entities supervised by the OCC. Accordingly, a final regulatory flexibility analysis is not required.

Unfunded Mandates Reform Act

The OCC has analyzed the final rule under the factors in the Unfunded Mandates Reform Act of 1995 (UMRA).[226] Under this analysis, the OCC considered whether the final rule includes a Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of $100 million

[221] The reporting burden associated with the Interagency Biographical and Financial Report and Corporate Background and Financial Report referenced in § 15.30(b)(1)(ii) is covered under OMB control number 1557–0014.

[222] The reporting burden associated with the Interagency Biographical and Financial Report and Corporate Background and Financial Report referenced in § 15.30(b)(1)(ii) is covered under OMB control number 1557–0014.

[223] 5 U.S.C. 601 *et seq.*

[224] Based on data accessed using the OCC's Financial Institutions Data Retrieval System on July 30, 2026.

[225] The OCC bases its estimate of the number of small entities on the SBA's size thresholds for commercial banks and savings institutions, and trust companies, which are $850 million and $47 million, respectively. Consistent with the General Principles of Affiliation, 13 CFR 121.103(a), the OCC counted the assets of affiliated financial institutions when determining if it should classify an OCC-supervised institution as a small entity. The OCC used December 31, 2025, to determine size because a ''financial institution's assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year.'' *See* footnote 8 of the SBA's *Table of Size Standards.*

[226] 2 U.S.C. 1531 *et seq.*

or more in any one year ($193 million as adjusted annually for inflation). Pursuant to section 202 of UMRA,[227] if a final rule meets this UMRA threshold, the OCC prepares a written statement that includes, among other things, a cost-benefit analysis of the final rule.

The OCC has determined that the final rule will not result in an expenditure of $193 million or more by any State, local, and tribal governments, in the aggregate, or by the private sector. Although the final rule does impose new mandates, there will likely be a decrease in expenditures due to cost savings given the decrease in capital and assessments costs. The OCC has prepared an impact analysis which is discussed below related to the analysis conducted pursuant to Executive Order 12866 (as amended).

Riegle Community Development and Regulatory Improvement Act of 1994

Pursuant to section 302(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (RCDRIA),[228] in determining the effective date and administrative compliance requirements for new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions, the agencies will consider, consistent with principles of safety and soundness and the public interest: (1) any administrative burdens that the final rule would place on depository institutions, including small depository institutions and customers of depository institutions; and (2) the benefits of the final rule. This rulemaking will impose reporting, disclosure, or other requirements on insured depository institutions through their permitted payment stablecoin issuer subsidiaries. In addition, section 302(b) of RCDRIA requires new regulations and amendments to regulations that impose additional reporting, disclosures, or other new requirements on insured depository institutions generally to take effect on the first day of a calendar quarter that begins on or after the date on which the regulations are published in final form, with certain exceptions, including for good cause.[229] As discussed above related to the effective date of this rule, the OCC has determined that the effective date of this rule must be January 18, 2027. The GENIUS Act will be effective on January 18, 2027, and it is important for the implementing regulations to be effective as of the same date. Although the effective date will not be the first day of the next calendar quarter that begins at least 60 days after the final rule is published in the **Federal Register**, the effective date will be in the next calendar quarter that begins at least 60 days after the final rule is published in the **Federal Register**. The final rule cannot be effective until the underlying Act that it is implementing is effective, so it cannot be effective the first day of the calendar quarter. Congress provided in the GENIUS Act that the Act would take effect the earlier of the date that is 18 months after enactment, which would be January 18, 2027, or the date that is 120 days after the date on which the primary Federal payment stablecoin regulators issue any final regulations. Because this final rule is the first final rule issued by a primary Federal payment stablecoin regulator implementing the Act and 120 days following it would be later than January 18, 2027, January 18, 2027, will be the effective date of the Act and of this final rule.

Congressional Review Act

For purposes of the Congressional Review Act, OMB makes a determination as to whether a final rule constitutes a ''major rule.'' [230] If a rule is deemed a ''major rule'' by OMB, the Congressional Review Act generally provides that the rule may not take effect until at least 60 days following its publication.[231]

The Congressional Review Act defines a ''major rule'' as any rule that the Administrator of OIRA, OMB finds has resulted in or is likely to result in (1) an annual effect on the economy of $100,000,000 or more; (2) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.[232]

OIRA has determined that this final rule is a major rule because it is likely to result in an annual effect on the economy of $100,000,000 or more. As required by the Congressional Review Act, the OCC will submit the final rule and other appropriate reports to Congress and the Government Accountability Office for review.

Executive Order 12866 (as amended)

Executive Order 12866, titled ''Regulatory Planning and Review,'' as amended, requires the OIRA, OMB to determine whether a final rule is a ''significant regulatory action'' prior to the disclosure of the final rule to the public. If OIRA finds the final rule to be a ''significant regulatory action,'' Executive Order 12866 requires the OCC to conduct a cost-benefit analysis of the final rule and for OIRA to conduct a review of the final rule prior to publication in the **Federal Register**. Executive Order 12866 defines ''significant regulatory action'' to mean a regulatory action that is likely to result in a rule that may (1) have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in Executive Order 12866.

OIRA has determined that this final rule is an economically significant regulatory action under Section 3(f)(1) of Executive Order 12866 and, therefore, is subject to review under Executive Order 12866.

The OCC's analysis conducted in connection with Executive Order 12866 is set forth below.

Baselines

Prior to passage of the GENIUS Act and drafting of the final rule, there was no comprehensive Federal framework governing payment stablecoin issuance. Rather, payment stablecoin issuance was subject to State stablecoin laws, State crypto-asset regulations, and/or State money transmission laws.

For non-OCC-regulated financial companies that will become permitted payment stablecoin issuers, the OCC used the requirements contained in New York stablecoin laws and the Money Transmission Modernization Act (MTMA) as the baseline based on the assumption that non-OCC-regulated financial companies that issue stablecoins would have complied with New York State laws and regulations given that at least a portion of the issuers' stablecoin activity would occur

[227] 2 U.S.C. 1532.

[228] 12 U.S.C. 4802(a).

[229] 12 U.S.C. 4802.

[230] 5 U.S.C. 801 *et seq.*

[231] 5 U.S.C. 801(a)(3).

[232] 5 U.S.C. 804(2).

in New York or be covered by state money transmission laws similar to the MTMA standard.[233] To the extent that an issuer does not need to be in compliance with New York State, but instead to a different state, MTMA would better reflect the baseline.

For OCC-regulated national banks and Federal savings association-affiliated subsidiaries that would be permitted payment stablecoin issuers, in the absence of the final rule, these entities would be subject to existing laws and regulations that do not specifically contemplate stablecoins. The OCC confirmed in interpretive letters that its regulated institutions can issue stablecoins and are allowed to hold deposits that serve as reserves for their stablecoin issuer customers.[234] While the interpretive letters recognized that OCC-regulated institutions may provide stablecoin services, the interpretive letters did not provide a formal Federal regulatory structure governing OCC-regulated banks' stablecoin issuance. Therefore, the baseline would be treatment under existing applicable Federal law and regulations that did not specifically contemplate stablecoins. Issued stablecoins and stablecoin reserve assets would generally have been treated as standard balance sheet liabilities and assets, and so the OCC estimated costs for OCC-regulated bank-affiliated permitted payment stablecoin issuers relative to a baseline where the stablecoins and stablecoin reserve assets would be subject to applicable laws and regulations governing national bank and Federal savings association assets and liabilities.

For the baseline described above, the OCC assumes the most likely regulatory outcome in the absence of the GENIUS Act and its implementing regulations. Specifically, the OCC assumes that OCC-regulated banks would have been allowed to legally issue payment stablecoins and would not have been subject to State stablecoin laws. This baseline assumes some OCC-regulated banks would eventually begin issuing or would increase their issuance of payment stablecoins to compete with nonbank issuers' payment stablecoin activities.

Under this baseline, the OCC concludes that stablecoin issuance by OCC entities would increase, but by an amount that is significantly less than the increase likely to occur after the implementation of the rules required by the GENIUS Act. The OCC expects that OCC-regulated entities would issue relatively fewer payment stablecoins under this baseline because payment stablecoin issuance would be more costly in absence of the final rule's provisions. In addition, the OCC believes that stablecoin issuance would be more limited under the baseline as there would be costs due to a lack of uniform Federal rules. Nevertheless, the OCC believes that the most likely scenario is that OCC entities would still have issued some amount of payment stablecoins under the baseline to meet consumer demand, and this would occur despite the greater costs of issuance than would have occurred without the GENIUS Act and its implementing regulations under the baseline.

Any market practices that an issuer would likely have voluntarily abided by in the absence of the final rule and the GENIUS Act or any other stablecoin regulations would also be included in the baseline. For example, when the OCC refers to these components of the baseline, the OCC means the types of standards with which current unregulated stablecoin issuers would already voluntarily abide by as a result of market conventions market competitive pressures. For instance, the OCC expects that, in the absence of stablecoin-specific regulations, stablecoin issuers would voluntarily disclose details of their redemption policies and comply with any mandates, requirements, or practices that would increase demand for their stablecoins.

This baseline is also relevant for OCC-bank-affiliated permitted payment stablecoin issuers operating in States where laws already have mandates similar to the mandates set forth in the rule, and where current bank regulations would not independently enforce similar requirements under the rules. In certain cases, the OCC could use mandates similar to the non-OCC bank-affiliated permitted payment stablecoin issuer baseline for the OCC-bank-affiliated baseline based on the argument that OCC bank-affiliated-permitted payment stablecoin issuers would likely have voluntarily complied with various mandates similar to those under the nonbank baseline to compete with the broader permitted payment stablecoin issuer market outside the regulated bank industry.

With regard to capital requirements, the OCC assumes stablecoins issued by OCC entities would have been treated as standard balance sheet assets under the baseline, and hence, all stablecoin reserve assets would have been subject to the minimum tier 1 leverage ratio. The OCC assumes that all stablecoin reserve assets would have counted toward the leverage requirement for all OCC-regulated bank permitted payment stablecoin issuers or permitted payment stablecoin issuers that are subsidiaries of OCC-regulated banks (collectively, OCC-regulated bank-affiliated permitted payment stablecoin issuers).

For non-OCC-regulated bank-affiliated permitted payment stablecoin issuers, the OCC assumes that such institutions would have complied with the lowest capital requirements across all States in order for stablecoins to transact seamlessly across state lines. The Money Transmission Modernization Act (MTMA) is a set of nationwide standards developed by the Conference of State Bank Supervisors to unify and streamline the licensing and regulation of money service businesses and fintech companies across the United States. The OCC uses New York State stablecoin laws and the MTMA as the baselines. Hence, for non-OCC-regulated bank-affiliated permitted payment stablecoin issuers, the OCC uses the MTMA's tangible net worth requirement to estimate tier 1 leverage under the baseline.

Overall, to the extent that any requirements under applicable baselines are substantially the same as the requirements in the final rule, the OCC's analysis considered the effect of these requirements to generally be de minimis. To the extent that there were differences between the mandates in the final rule and the assumed baselines, the OCC's analysis measures costs and benefits by comparing the costs and benefits of the mandates in the final rule and the mandates in the applicable baselines.

Affected Parties

The OCC estimates that the final rule would affect a total of 39 entities that will become OCC-supervised permitted payment stablecoin issuers.[235] The OCC

[233] Money Transmission Modernization Act (MTMA) is a set of nationwide standards developed by the Conference of State Bank Supervisors to unify and streamline the licensing and regulation of money service businesses and fintech companies across the United States. Currently, 31 states have enacted the MTMA in full or in part, including Texas and California. Because firms licensed in any adopting state must comply with MTMA standards at the enterprise level, these adoptions govern nearly 99 percent of all reported U.S. money transmission activity.

[234] *OCC Interpretive Letter 1174; OCC Interpretive Letter 1172.*

[235] There may be an influx of applications associated with waiver requests submitted to the OCC but it is unclear whether those applicants would necessarily become or remain OCC-supervised permitted payment stablecoin issuers (*i.e.,* they may apply for a waiver with the intent to become a state qualified permitted payment stablecoin issuer if a waiver is granted) so the

Continued

anticipates that 25 OCC-regulated national banks and Federal savings associations will either issue directly or have permitted payment stablecoin issuer subsidiaries, as applicable, and be affected by the final rule. The OCC anticipates that at least 12 currently non-OCC-regulated institutions would become permitted payment stablecoin issuers or have permitted payment stablecoin issuer affiliates. This number includes potential nonbank financial companies, non-financial companies, and already existing nonbank-financial-company payment stablecoin issuers that could apply to become payment stablecoin issuers. The OCC also expects non-OCC-regulated institutions could opt to issue payment stablecoins through partners (*e.g.,* white-label) or as part of consortia of issuers. The OCC estimates that there will be two white-label or consortia issuers that will become permitted payment stablecoin issuers. Depending on the composition of the consortium, the baseline could be either New York State regulation or the OCC-regulated bank-affiliated permitted payment stablecoin issuer baseline.

Economic Analysis of Requirements and Expected Costs and Cost Savings

For calculations that require an estimate of the total value of expected payment stablecoin issuance, the OCC used forecasts of aggregate stablecoin issuances from private sector forecasts reported in the media. The forecast data indicate upper bounds for payment stablecoin issuance of $378.8 billion in 2027 and $765 billion in 2028.[236] The private sector forecast is reduced by Tether's public announcement that its USDT coin will not be for domestic use, and instead the firm will launch its USAT coin, which is intended to comply with the GENIUS Act.[237]

For purposes of calculating the costs of mandates in the rule, the OCC only accounts for issuers that would have existed in the absence of the rule, under the pre-existing regulatory baseline. The OCC assumes that initially in 2027, the market size of outstanding stablecoins in the absence of the Act would be $272.3 billion. Of this $272.3 billion in issuance, the OCC attributes $222.3 billion to non-OCC-bank-affiliated issuers and $50 billion to OCC-regulated issuers.

The OCC reviewed costs and benefits associated with the final rule according to the following categories: a) reserve requirements; b) redemption requirements; c) capital requirements; d) custody requirements; and e) miscellaneous administrative and compliance requirements. The OCC aggregated the cost estimates to generate a total against the baseline.

Reserve Requirements

The final rule implements section 4(a) of the GENIUS Act and includes requirements governing the management, composition, and reporting of reserves that back payment stablecoin issuance. Under the final rule, a permitted payment stablecoin issuer must maintain and demonstrate the operational capacity to monetize reserve assets, commensurate with the permitted payment stablecoin issuer's risk profile and business model. Because liquidity measurement and management are already integral components of a bank's ongoing operations, the OCC expects many permitted payment stablecoin issuers to already have the internal practices in place to meet this requirement or to be able to demonstrate monetization through the usual course of business. For example, institutions that monetize United States Treasury securities on a regular basis through the ordinary course of business may be able to rely on evidence of sales to meet the monetization requirement. Permitted payment stablecoin issuers may also be able to demonstrate liquidity by establishing that they maintain appropriate repo arrangements through which they can quickly pledge and receive liquid funds. Additionally, large institutions under OCC supervision are already subject to extensive monetization testing and analysis to demonstrate liquidity. In these cases, the OCC does not expect additional compliance costs due to the monetization requirement. To the extent that demonstrating liquidity does not already reflect an institution's current business practices, the requirement to demonstrate monetization could increase operational expenses; however, based on the institutions expected to become permitted payment stablecoin issuers, the OCC expects affected institutions (*i.e.,* both non-OCC-regulated bank-affiliated institutions and OCC-regulated bank-affiliated institutions) would already have internal liquidity practices in place and be able to meet the requirement without additional burden.

The final rule states that for some permitted payment stablecoin issuers—depending on the issuer's size, business model, and operations—it may be necessary to periodically conduct monetization transactions to demonstrate liquidity, which could introduce new costs for some permitted payment stablecoin issuers. For example, institutions that do not monetize certain assets already on a frequent basis may need to conduct specific transactions that go beyond ordinary business activities. In another context, trade associations have pointed out that this could potentially lead to institutions having to recognize a loss for a sale solely for demonstration purposes.[238] However, based on the experience of OCC banks that currently engage in monetization testing, the OCC expects these instances to be rare.

The final rule also includes requirements on the composition and reporting of reserves. Identifiable reserves must comprise specified highly liquid instrument types, such as cash, demand deposits, and short-term United States Treasury bills, notes, and bonds. Relative to the pre-existing regulatory baseline, the OCC estimates that non-OCC-regulated-bank affiliated issuers would have already managed reserves in a manner consistent with the final rule. New York's Department of Financial Services (NYDFS) imposes restrictions on how reserves can be held by stablecoin issuers and are similar to those in the final rule.[239] Therefore, the OCC estimates that non-OCC-regulated-bank-affiliated permitted payment stablecoin issuers would incur no new costs to acquire and report reserve assets in the instrument types required by the GENIUS Act and the final rule as these institutions would already satisfy these requirements under the baseline.[240]

---

estimates include only those entities that would be likely to become and remain OCC-supervised permitted payment stablecoin issuers.

[236] *See* market forecasts at *https://www.bloomberg.com/news/articles/2025-04-15/stablecoin-sector-may-reach-2-trillion-standard-chartered-says.* The OCC applied a compound growth rate to $250 billion at the time of enactment of the GENIUS Act to estimate a market cap of $500 billion in 2026, $1 trillion in 2027, and $2 trillion in 2028 for the proposed rule. In the final rule, the OCC estimates delay the growth of the market to $2 trillion by 2029 as the market's growth has paused in 2026.

[237] *See* Tether Announces the Launch of USA, the Federally Regulated, Dollar-Backed Stablecoin, Made in America—Tether.io, *https://tether.io/news/tether-announces-the-launch-of-usat-the-federally-regulated-dollar-backed-stablecoin-made-in-america/.*

[238] *See* SIFMA, et al., ''Liquidity Coverage Ratio: Liquidity Risk Measurement, Standards, and Monitors'' (January 31, 2014), *available at https://www.sifma.org/wp-content/uploads/2017/05/sifma-and-other-associations-submit-comments-to-multiple-regulators-on-liquidity-coverage-ratio.pdf.*

[239] *See* New York Department of Financial Services, ''Guidance on the Issuance of U.S. Dollar-Backed Stablecoins,'' (June 8, 2022), *https://www.dfs.ny.gov/industry_guidance/industry_letters/il20220608*_issuance_stablecoins (describing New York State's reserve requirements for dollar-backed stablecoins).

[240] For example, Circle, the second largest stablecoin issuer, holds 99.5% of its total reserves in cash, short-term United States Treasury bills and notes, and repurchase agreements secured by such

For OCC-regulated bank-affiliated issuers, there could be opportunity costs associated with holding reserves in the specified high-quality liquid assets compared to potentially higher-yielding alternatives, given that any prior payment stablecoin issuance may not have been subject to NYDFS regulations. While the OCC does not attempt to quantify this cost, which would fluctuate with current market rates at any given point in time, the OCC anticipates that many permitted payment stablecoin issuers would likely have managed reserves in a manner consistent with the reserve requirements either to conform with market practices and remain competitive with non-OCC-regulated bank-affiliated issuers or to comply with requirements that would be applicable to payment stablecoins if held on banks' balance sheets.

Finally, the final rule mandates publication of a monthly reserve composition report, examination of this report by a registered public accounting firm, and monthly submission of certification of the CEO and CFO (or the persons performing the equivalent functions) to the OCC. These efforts will require various reporting, training, and auditing expenses. The OCC estimates the average burden of the monthly composition report to be two hours per response, or $3,816 (24 hours *$159) per issuer on an annual basis and applies to all permitted payment stablecoin issuers.[241]

Due to an overlap with existing State laws, the OCC does not expect that the examination of these reports by a registered public accounting firm will impose additional burden on non-OCC-regulated institutions relative to the baseline; NYDFS requires reserves to be subject to examination at least once per month by an independent Certified Public Accountant. In contrast, the OCC anticipates that OCC-regulated bank-affiliated institutions would face higher auditing costs from a monthly auditing requirement. OCC-regulated institutions are generally audited quarterly. Moving to monthly audits performed by an independent Certified Public Accountant would result in a threefold increase in auditing frequency. The OCC estimates the incremental cost in moving from quarterly to monthly certification of these reports by a public accounting firm to range from $56,000 to $166,667 per issuer on an annual basis, depending on the size and complexity of the permitted payment stablecoin issuer.[242]

Overall, the OCC attributes aggregate reporting costs of $83,952 ($3,816 * 22 issuers) and auditing costs of $560,000 to $1,666,667 ($56,000–$166,667 on average*10 issuers) to the statute in 2027, relative to the existing regulatory baseline.[243] The total estimated costs associated with the reserve requirements are therefore $1,197,285 ($1,197,285=$83,952 + $1,113,333).

Redemption Requirements

The final rule would impose several mandates governing payment stablecoin redemption. These include requirements for the issuer to develop and disclose its redemption policy. The OCC expects that non-OCC-regulated-bank-affiliated permitted payment stablecoin issuers would have already complied with such mandates under the baseline. Additionally, for OCC-regulated bank-affiliated banks, the OCC expects that such banks would have voluntarily abided by these conditions and therefore generally incur no new costs relative to the baseline.

With respect to the disclosure, including the fee change, mandates required by the final rule, the OCC does not expect that the final rule will cause non-OCC-regulated bank-affiliated permitted payment stablecoin issuers to incur significant new costs because current stablecoin regulations and money-transmission laws that govern New York State stablecoin issuance already impose similar mandates. For OCC-regulated bank-affiliated issuers, the OCC expects that such institutions would voluntarily provide such information to compete for customers. Additionally, because OCC-regulated banks already comply with several reporting and disclosure requirements in other business lines, the OCC does not expect that there would be significant fixed costs in complying with the redemption disclosure requirements. Therefore, OCC-regulated banks that would be permitted payment stablecoin issuers would also not incur significant new costs related to these disclosure requirements.

The final rule defines ''timely'' to mean that the permitted payment stablecoin issuer would generally have to redeem a payment stablecoin no later than two business days from the date of the requested redemption. Redemption is deemed to occur when the permitted payment stablecoin issuer has fully processed and initiated the outgoing transfer of monetary value to the customer or customer's financial institution, or, if requested by the customer, credited monetary value to the customer's account with the permitted payment stablecoin issuer. This is substantially the same as New York State's guideline of two business days and comparable to existing stablecoin procedures. Therefore, non-OCC-regulated-bank-affiliated permitted payment stablecoin issuers would incur no new costs relative to the baseline. Additionally, the OCC expects that OCC-regulated bank-affiliated banks would have abided by the two-business-day timeframe in the absence of this timeliness requirement due to market conventions and competitive pressures. Since current technology allows for nearly instantaneous transfers of account funds within financial institutions, the OCC believes that the costs associated with complying with the two-business-day requirement would be de minimis.

A permitted payment stablecoin issuer must provide notice to the OCC through its supervisory office within 24 hours if it receives redemption requests in excess of 10 percent of its outstanding issuance value in a single 24-hour period. A permitted payment stablecoin issuer that experiences redemption requests in excess of 10 percent of its outstanding issuance value in a single 24-hour period may request an extension to the timeframe for timely redemption. The OCC may, in its discretion, grant or deny an extension request under § 15.12(d)(2) or impose discretionary limitations upon timely redemption in accordance with section 4(a)(1)(B)(i) of the GENIUS Act (12 U.S.C. 5903(a)(1)(B)(i)). Since all issuers would only benefit from the extended redemption period, the OCC does not believe there would be costs

obligations or cash. *See* BlackRock, ''Circle Reserve Fund'' (last visited December 22, 2025), *https://www.blackrock.com/cash/en-us/products/329365/*.

[241] This estimate is based on public reporting burden for comparable Federal Reserve Board reporting forms of similar burden. *See* Board of Governors of the Federal Reserve System, ''Reporting Forms'' (last visited December 22, 2025), *https://www.federalreserve.gov/apps/reportingforms*. The hourly wage rate is based on data from the United States Bureau of Labor Statistics (BLS) for depository credit intermediation (NAICS 522100). To estimate compensation costs associated with the final rule, the OCC uses $158.73 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (3.4 percent as of Q1 2026) plus an additional 35.3 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2025 for NAICS 522: credit intermediation and related activities).

[242] These estimates are based on a minimum attestation cost of approximately $7,000 per month, with the actual cost varying by issuer complexity and size. These estimates have increased from our initial impact analysis based on comment letters received and new industry estimates considered.

[243] The OCC estimates estimate there could have been approximately 10 OCC-affiliated stablecoin issuers and 12 non-OCC-regulated-bank affiliated issuers in the baseline. As a result of the final rule and enactment, the OCC expects an increase in market capitalization and adoption of payment stablecoins.

associated with this provision for permitted payment stablecoin issuers.

Furthermore, this provision would be beneficial to broader society as the extension strengthens the stablecoin system by establishing a clear, rule-based response to stress and reducing incentives for panic-driven runs. This provision would benefit issuers and society by preventing panic-driven runs on permitted payment stablecoin issuers' stablecoins. The seven-day extension is modest and less disruptive than emergency redemption suspensions. Absent this provision, issuers must rely on broad contractual discretion, which increases legal uncertainty and litigation risk. By codifying a redemption extension tied to objective conditions, the rule sets expectations in advance and reduces the risk of arbitrary or uneven treatment. Clear regulatory authority reduces litigation risk and the need for ad hoc supervisory intervention. In addition, the 24-hour OCC notification requirement ensures timely supervisory awareness and enables prompt regulatory engagement during emerging stress events. Because the communication of stress events to the OCC would occur through direct contact with issuers' existing supervisory contacts, the OCC expects the cost of implementing this mandate to be de minimis.

Capital Requirements

In order to estimate the monetary cost of the capital requirements in the final rule, the OCC assumed an average cost for each payment stablecoin issuer and made assumptions regarding the inputs to the cost calculations. To calculate the cost of equity capital requirements, the OCC assumed that under the final rule, all payment stablecoin issuers will initially be required to maintain the minimum amount of capital which includes the $5 million requirement for de novo banks and the ongoing 12-month-operating-expense backstop. The OCC assumes that the amount of capital a permitted payment stablecoin issuer must maintain, commensurate with the level and nature of all risks, including those arising from off-balance-sheet activities, would be unchanged relative to the baseline under the GENIUS Act. The OCC also assumes that, for any portion of the capital requirement left to a permitted payment stablecoin issuer's discretion, a permitted payment stablecoin issuer would not hold more capital than it would elect to hold absent the rule. In estimating the benefits and costs of the GENIUS Act's capital requirement, the OCC assesses only the effect on the cost of capital for issuance under the baseline rules and does not include any incremental capital costs arising from new issuance induced by the GENIUS Act. The OCC assumes that these incremental capital costs are offset by the consumer and producer surplus generated by that new issuance.

For the cost-of-equity-capital calculation the OCC assumed:

- Under the baseline of no GENIUS Act, there would have been 10 OCC-regulated bank-affiliated permitted payment stablecoin issuers and 12 non-OCC-regulated bank-affiliated permitted payment stablecoin issuers.
- The OCC assumes that initially in 2027, the market size entering OCC supervision, measured by the value of outstanding stablecoins, will be $272.3 billion. Of this $272.3 billion in issuance, $222.3 billion of this forecast is attributed to non-OCC-regulated bank-affiliated permitted payment stablecoin issuers and $50 billion to OCC-regulated bank-affiliated permitted payment stablecoin issuers.
- The cost of equity capital is the ongoing yearly required return on equity capital that the OCC expects issuers to pay to obtain equity to satisfy capital requirements. The current estimate of the cost of capital in the banking industry is 7.34 percent. Permitted payment stablecoin issuers incur the cost of equity capital upfront by receiving a discounted payment from investors for equity shares in the permitted payment stablecoin issuers. The rule allows 50 percent of the backstop to be held in subordinate debt which the OCC estimates to be 4.73 percent.
- The initial operational backstop amount would be based on reasonable expense projections and adjusted each quarter based on actual amounts for that quarter. The OCC recognizes that operational backstop will not be linear and will vary based on the permitted payment stablecoin issuer's business model and amount of issuance. The OCC has no precise ability to forecast the ongoing operational expense each issuer will incur and therefore the OCC assumes a flat rate for all issuers for the purpose of this analysis. The OCC assumes that the 12-month operating expense amount for each issuer is 0.48 percent of outstanding stablecoins which the OCC believes is a conservative estimate of ongoing operating expense based on money market fund performance and Circle's financial statements.[244]

The OCC calculated the ultimate impact of capital mandates separately for OCC-regulated bank-affiliated permitted payment stablecoin issuers and for non-OCC-regulated bank-affiliated permitted payment stablecoin issuers due to differences in baselines. The OCC calculated the effect of capital mandates for OCC-regulated bank-affiliated permitted payment stablecoin issuers under the bank and bank-affiliated baseline and the OCC calculated the effect of the mandates relative to the MTMA for non-OCC-regulated bank affiliated permitted payment stablecoin issuers.

The OCC calculated the total minimum required capital under the final rule for all expected permitted payment stablecoin issuers. The first calculation is for the final rule's fixed capital requirement of $5 million for de novo issuers. The final rule allows for the backstop to be partially funded with up to 50 percent in subordinated debt. Assuming issuers fund 50 percent of their backstop with subordinated debt, the cost of capital will be 6.04 percent (6.04 percent = 7.34 percent * .5 + 4.73 percent * .5). The overall cost of capital could be slightly lower to the extent that permitted payment stablecoin issuers are able to obtain lower cost subordinated debt financing to partially meet capital requirements.

Permitted payment stablecoin issuers would also accrue benefits from tax-deductible interest on any subordinated debt used to fund the capital backstop. However, under the OCC's economic analyses for rulemakings, these tax benefits only count toward any impact estimates as transfers, and not as explicit regulatory cost savings for the purposes of Executive Order 14192. The second part of the cost of capital estimate includes the final rule's operational backstop which is a requirement equal to 12 months of operating costs. The OCC estimated the 12-month-operating-expenses to be 0.48% times the expected $272.3 billion in outstanding stablecoin issuance which amounts to $1.3 billion ($272.3 billion * .48%). The cost of this $1.3

[244] According to Fidelity Investments the operating costs of a money market mutual fund is 0.07% and 0.12%. *https://investor.vanguard.com/investment-products/money-markets.* The OCC assumes that the transaction velocity of stablecoins will be higher than money markets and occur higher ongoing operating expense than money market funds. According to Circle's first quarter 2026 results, adjusted operating expenses were $136 million. *https://s206.q4cdn.com/265218871/files/doc_financials/2026/q1/FINAL_9_42-p-m-Q1-2026-EPR_May-2026-docx-2.pdf.* After adjusting for increase in expenses due to investments into product, distribution, and infrastructure the OCC estimates a 0.48% ongoing operational expense ratio for Circle. The 0.48 percent backstop assumption is likely conservative as other stablecoin issuers will not have as a complex business model as Circle.

billion of required capital is the amount of capital times the cost of equity capital, which the OCC measures as 6.04% which totals $78.9 million.[245] Because there is no comparable backstop estimate in the regulatory baseline, the OCC includes the full $78.9 million toward the cost of capital calculation. The total cost of minimum capital requirements under the final rule is $87 million which is the sum of the $8.1 million cost of the de novo permitted payment stablecoin issuer requirement plus the $78.9 million cost of the operational backstop requirement.

For non-OCC-regulated bank-affiliated permitted payment stablecoin issuers, to calculate total capital requirements, the OCC subtracted the corresponding expected capital requirement for these permitted payment stablecoin issuers under the MTMA. Under the MTMA, the tangible net worth requirement is 3.0 percent for the first $100 million in assets, 2 percent on assets from $100 million to $1 billion, and 0.5 percent of assets over $1 billion. For the calculation, the OCC assumes that the $222.3 billion of issuance is equal among the 12 nonbank issuers. Therefore, for the 12 non-OCC-regulated bank affiliated permitted payment stablecoin issuers, the OCC calculates a minimum capital requirement of $1.3 billion (.03 * 100M * 12 + .02 * $900M * 12 + .005 * ($222.3B–$12B)).

For OCC-regulated bank-affiliated permitted payment stablecoin issuers, the OCC assumed that payment stablecoins issued by OCC-regulated banks would have been treated as standard balance-sheet assets and hence, all stablecoin reserve assets would have been subject to the tier 1 leverage ratio, which is set at 4 percent. The OCC projected that OCC-regulated bank-affiliated issuers would be responsible for $50 billion in stablecoin issuance in 2027 and would therefore have needed to hold $2 billion in tier 1 capital ($2 billion = .04 × $50 billion).

Taken together, under the two assumed baselines for the 22 expected permitted payment stablecoin issuers, the OCC calculated that these permitted payment stablecoin issuers would have been required to hold $3.3 billion ($3.3 billion = $2 billion + $1.3 billion) under the assumed baselines. The OCC calculated the cost of equity capital under the baseline to be approximately $242.5 million ($242.5 million = $3.3 billion × 7.34 percent). Therefore, after accounting for the regulatory baseline, the OCC estimated the capital requirements under the final rule to result in a net savings of $155.5 million ($155.5 million = 87 million − $242.5 million) relative to the regulatory baselines.

The last component of the minimum capital requirement is a self-imposed amount of capital to be determined by each permitted payment stablecoin issuer. The OCC estimated the cost of this additional requirement to be zero.

Custody Requirements

The final rule imposes mandates governing certain custodial activities of OCC-supervised institutions (including OCC-supervised permitted payment stablecoin issuers).[246] For the final rule, the OCC expects that covered custodians for covered assets would likely already be specialized custodial institutions for several asset classes or already provide custodial services for crypto-assets, including stablecoins. The OCC concluded that since New York State has already imposed substantially similar compliance mandates on covered custodians for providing custodial services for covered assets, the final rule will not result in new costs for covered custodial activities for non-OCC supervised entities.

With respect to OCC-supervised bank-affiliated permitted payment stablecoin issuers, OCC-regulated banks were previously allowed to provide custody services for crypto-assets, as confirmed in Interpretive Letters 1170, 1183, and 1184. The OCC does not expect that OCC banks would incur new costs as a result of the custody services mandates in the final rule because OCC banks providing custody services for crypto-assets generally followed industry best practices and guidance governing non-fiduciary custody activities. Therefore, the OCC concluded that OCC-regulated bank-affiliated permitted payment stablecoin issuers would not incur new compliance costs under the final rule.

Miscellaneous Administrative and Compliance Requirements

The final rule includes other administrative and compliance mandates which include risk management mandates in § 15.13 and compliance mandates in § 15.14. The OCC estimated the cost of all mandates in these sections.[247]

The OCC assessed that for non-OCC-regulated bank-affiliated permitted payment stablecoin issuers that miscellaneous administrative and compliance mandates in the final rule effectively overlap with New York State requirements except for the higher frequency confidential weekly reporting requirement and the regular 12- or 18- to 24-month examination requirement in the final rule.

The OCC assessed that for OCC-regulated bank-affiliated permitted payment stablecoin issuers, miscellaneous administrative and compliance mandates from the final rule overlap with the requirements under the assumed regulatory baseline and that there would be no material new costs to these issuers under the final rule.

The OCC estimated the weekly reporting requirement will require two hours per week with a cost of $159 per hour. The total weekly reporting cost for 12 non-OCC-regulated bank permitted payment stablecoin issuers annually is therefore $198,432 ($198,432 = 52 * 159 * 12 * 2).

To comply with ongoing OCC exam requirements, the OCC estimated that each of the 12 non-OCC-regulated bank-affiliated permitted payment stablecoin issuers will employ 1000 employee hours annually on supervisory exams for a total of $159,000 ($159,000 = 159 * 1,000). Therefore, the OCC expected that these 12 permitted payment

[245] The final rule allows for the backstop to be partially funded with up to 50 percent with subordinated debt. Assuming issuers fund 50% of their backstop with subordinate debt, the cost of capital for the backstop will be 6.04% (6.04% = 7.34% * .5 + 4.73% * .5).

[246] Specifically, the final rule imposes requirements relating to the custody of ''covered assets'' which include payment stablecoin reserves, payment stablecoins used as collateral, and private keys used to issue payment stablecoins, as well as cash and other property received in the course of the provision of custodial or safekeeping services for such assets.

[247] The OCC notes that PCAOB audit requirements for issuers with $50 billion in total issuance is not covered by any legal baseline for the 39 expected issuers in the economic analysis. However, financial institutions generally have an audit under AICPA rules if they are not required to have a PCAOB audit, the OCC expects that, in the absence of the GENIUS Act and the final rule, all permitted payment stablecoin issuers would have been audited under AICPA rules. Therefore, under the regulatory baseline the OCC used the cost of an AICPA rule audit as the baseline audit cost to compare to the cost of PCAOB audits required by the rule.

If the OCC expected that any of the estimated 39 permitted payment stablecoin issuers would be required to obtain a PCAOB audit because of the final rule, the OCC would have estimated the cost of the audit mandate for a given permitted payment stablecoin isuser as the expected difference in the cost of a PCAOB audit and a baseline AICPA audit. The OCC expects that the additional cost of a PCAOB audit over a baseline AICPA audit would be at least 30 percent greater than the cost of an AICPA audit.

Because the OCC does not expect that any of the estimated 39 issuers will be required to have a PCAOB audit because of the final rule, the OCC estimates the total cost of the audit mandate as $0. However, if there are permitted payment stablecoin issuers that would be required to become audited because of the final rule, the total cost of the mandate would be the additional cost of the audit mandate per permitted payment stablecoin issuer multiplied by the number of permitted payment stablecoin issuers affected by the mandate.

stablecoin issuers' total expenditures on examinations to total $1,908,000 ($1,908,000 = 159,000 * 12).

In summary, the OCC estimated the ongoing miscellaneous administrative and compliance mandate costs to total $2,106,432 per year ($2,106,432 = $1,908,000 + 198,432).

Assessments

The OCC estimated that in total, the assessment schedule under the final rule will save permitted payment stablecoin issuers a total of $13.6 million in assessment fee costs in 2027. The OCC estimated that the 25 OCC-bank-affiliated permitted payment stablecoin issuers would save $1.9 million in assessment fees relative to their baseline. The 12 non-OCC bank affiliated permitted payment stablecoin issuers would pay approximately $8.4 million in assessments in 2027 but save approximately $12.5 million relative to the New York State baseline. The increase in savings is primarily attributed to a 35 percent discount on the OCC's general assessment.

The OCC estimated that the assessment mandates in the final rule will cost permitted payment stablecoin issuers and increase the OCC's assessment revenue by $7.2 million in 2027 if the final rule were implemented at the start of 2027. The OCC's projections are based on the January 2026 assessment fee structure for existing OCC-supervised banks applied to the stablecoin market and includes a 35 percent discount for stablecoin issuers. The final rule suggests discounts can be increased to as high as 55 percent if approved by the OCC, based on agency needs.[248] The projections do not consider future changes in assessment fee structure or changes to fee schedules. The estimates also assume permitted payment stablecoin issuers will not be subject to the cost-plus method that is typically applied to new firms entering OCC supervision. The estimates make the following assumptions:

- All payment stablecoins will be issued by OCC-regulated permitted payment stablecoin issuers.[249]
- All payment stablecoins equal minimum reserve assets, even though operationally firms can hold assets in excess of outstanding stablecoins to manage market risks.
- The market will be occupied by 12 non-OCC-regulated bank-affiliated permitted payment stablecoin issuers and 25 OCC-regulated bank-affiliated permitted payment stablecoin issuers and two consortia permitted payment stablecoin issuers by 2027.

While assessment revenue will increase for the OCC, the assessment fees under the final rule for existing issuers that would have otherwise been paid to NYDFS by non-OCC-regulated bank permitted payment stablecoin issuers under the baseline would be considered a cost savings to these permitted payment stablecoin issuers. NYDFS budgets $16.3 million in assessment revenue for State fiscal year (SFY) 2026–2027, which ends March 31, 2027. For SFY 2027–2028, the OCC projects NYDFS would collect $20.9 million in fees if the GENIUS Act were not effective.[250] It is anticipated that large stablecoin issuers under NYDFS oversight, who pay the bulk of NYDFS assessments, will migrate to OCC. Given the discounts in the final rule, and difference in the fee structure, a migration to OCC from NYDFS oversight will be a cost savings to permitted payment stablecoin issuers as NYDFS's assessment fee incorporates transaction volumes and broader custodial volume supervision. The OCC does not currently anticipate transaction volumes to factor into OCC assessment calculations, and the OCC will not supervise custodians outside the Federal banking system other than OCC-regulated permitted payment stablecoin issuers.

For OCC-regulated bank-affiliated permitted payment stablecoin issuers, the impact on assessments may be a cost savings relative to the baseline as stablecoin reserve assets would move from bank balance sheets to the balance sheets of the subsidiary permitted payment stablecoin issuer. The cost savings are due to a 35 percent discount on assessments from the standard assessment fee schedule in the final rule. However, the enactment of the final rule would expand the market beyond the baseline, resulting in a net increase in assessment revenue. Under the final rule, the OCC estimated that permitted payment stablecoin issuers affiliated with OCC-regulated-banks would save $1.0 million in 2027 relative to their regulatory baseline. Consortia PPSIs would also see assets shift from the main bank to a joint venture which would benefit from an assessment discount, resulting in savings of $0.1 million in 2027.

Total Impact of Costs and Cost Savings

The OCC estimated that as a result of the final rule, permitted payment stablecoin issuers would save $165.8 million on a net basis in 2027 relative to the baselines assumed, due largely to relief in capital costs and assessments. While the OCC estimated additional costs of $3,303,717 ($3,303,717 = $1,197,285 + $2,106,432) discussed above, from reserve, reporting, and administrative compliance associated with the final rule, the OCC estimated $169.1 million in cost savings ($169.1 million = $13.6 million + $155.5 million). The OCC also expected that ongoing annual savings relative to the regulatory baselines would increase over time as both stablecoin issuance and the number of permitted payment stablecoin issuers increase in the coming years.

Analysis of Regulatory Alternatives

Executive Order 12866 requires the analysis of alternatives to the final regulations. The order says that the OCC should provide: ''An assessment, including the underlying analysis, of costs and benefits of potentially effective and reasonably feasible alternatives to the planned regulation, identified by the agencies or the public (including improving the current regulation and reasonably viable nonregulatory actions), and an explanation why the planned regulatory action is preferable to the identified potential alternatives.''

An assessment of two alternatives follows:

Scenario 1

Under the first scenario, the OCC considered replacing the fixed capital requirement of $5 million for de novo issuers with a requirement that issuers instead hold 2 percent of the par value of stablecoins issued. Under the final rule, the OCC estimates that the fixed capital requirement of $5 million would require issuers to hold $110 million in equity capital in 2027 in aggregate. An alternative requirement to hold 2 percent of issuance, would require issuers to hold $5.5 billion in aggregate equity capital (0.02 * $273 billion issuance in 2027), in which case

[248] The OCC discounts permitted payment stablecoin issuer assessment rates from the general assessment schedule because permitted payment stablecoin issuer supervision will impose lower resource costs on the OCC than the resource costs covered by the general assessment schedule. Following Circular A–4, the OCC does not account for assessment fees as transfers because the OCC intends assessment fees to cover supervisory resource costs.

[249] As discussed above, USDT is not included in the payment stablecoins anticipated to be issued by OCC-regulated permitted payment stablecoin issuers.

[250] New York State Department of Finance, SFY 2026–27 Budgeted Virtual Currency collection, *https://www.dfs.ny.gov/system/files/documents/2026/04/ilfyvc26q1.pdf*. NYSDFS assessment of virtual currencies has three components: regulatory costs, transaction volume and custody volume. Transaction and custody volume are assessed using an hourly rate, similar to OCC's cost-plus method.

permitted payment stablecoin issuers' total minimum required equity capital would increase by about $5.4 billion. Given the cost of equity capital of 7.34 percent, the total cost of equity capital issuances would be $395.6 million higher under this scenario.

However, the OCC notes that while additional capital that scales with issuance may benefit permitted payment stablecoin issuers and society by potentially reducing failure risk of permitted payment stablecoin issuers, this level of capital would be unnecessary relative to the more appropriate level included in the final rule. Because the other requirements in the final rule related to payment stablecoins (*e.g.,* reserve asset and diversification requirements, risk management standards) are designed to manage risk, a fixed minimum de novo requirement is more appropriate than the 2 percent requirement discussed in this scenario.

Scenario 2

Under the second scenario, the OCC considered reducing the requirement to hold funds against operating expenses. The current final rule requires permitted payment stablecoin issuers to hold an operational backstop which is equal to 12 months of operating costs. In this scenario, the OCC decreased this requirement to 6 months of operating expenses.

To estimate the effect of reducing the operational backstop requirement to cover only 6 months of operating expenses, the OCC assumed that the backstop requirement would be 50 percent of the requirement we include in the main analysis.

In the main analysis, the OCC estimated that permitted payment stablecoin issuers would be required to hold $1.3 billion as a backstop and therefore, in this scenario, the OCC estimated that permitted payment stablecoin issuers would only be required to hold $650 million as a backstop. The total cost of this requirement would be $39.3 million ($39.3 million = $650 million * .0604). Because there is no comparable backstop estimate in either of our regulatory baselines, the OCC would include the full $39.3 million toward the cost of capital calculation. Therefore, in this scenario, in total, the 22 permitted payment stablecoin issuers would save $39.3 million in capital costs under this alternative.

This scenario would lower capital costs for permitted payment stablecoin issuers overall. Although a lower operational backstop requirement would decrease capital costs for permitted payment stablecoin issuers, given the calibration of the other final capital and other requirements, the OCC opted to take a more conservative approach related to the operational backstop in the proposal to ensure adequate coverage. Like other components of capital, after considering comments and issuing a final rule, the OCC will revisit these requirements in the future to ensure appropriate calibration.

Executive Order 14192

Executive Order 14192, titled ''Unleashing Prosperity Through Deregulation,'' requires that an agency, unless prohibited by law, identify at least ten existing regulations to be repealed when the agency publicly proposes for notice and comment or otherwise promulgates a new regulation with total costs greater than zero. Executive Order 14192 further requires that new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least ten prior regulations. This final rule is a deregulatory action under Executive Order 14192 because it would result in potential cost savings related to capital costs and assessment fees for permitted payment stablecoin issuers and OCC-supervised banks.

List of Subjects

12 CFR Part 3

Administrative practice and procedure, Banks, Banking, Federal Reserve System, Federal savings associations, Investments, National banks, Reporting and recordkeeping requirements.

12 CFR Part 6

Federal Reserve System, National banks, Penalties.

12 CFR Part 8

Banks, Banking, Fees, Foreign banking, Federal savings associations, National banks, Reporting and recordkeeping requirements.

12 CFR Part 15

Federal savings associations, Federal qualified payment stablecoin issuers, Foreign payment stablecoin issuers, National bank, Nonbank entities, Permitted payment stablecoin issuers, State qualified payment stablecoin issuers.

12 CFR Part 19

Administrative practice and procedure, Crime, Equal access to justice, Federal savings associations, Investigations, National banks, Penalties, Securities.

For the reasons set forth in the preamble, the OCC amends 12 CFR chapter I as follows:

PART 3—CAPITAL ADEQUACY STANDARDS

■ 1. The authority citation for part 3 is revised to read as follows:

Authority: 12 U.S.C. 93a, 161, 1462, 1462a, 1463, 1464, 1818, 1828(n), 1828 note, 1831n note, 1835, 3907, 3909, 5371, 5371 note, 5412(b)(2)(B), 5901 *et seq.,* and Pub. L. 116–136, 134 Stat. 281.

■ 2. Amend § 3.22 by adding paragraph (i) to read as follows:

§ 3.22 Regulatory capital adjustments and deductions.

* * * * *

(i) *Permitted Payment Stablecoin Issuers.* Notwithstanding any other provision in this section, an insured national bank or Federal savings association that is consolidated with a permitted payment stablecoin issuer as defined in § 15.2 of this chapter must make the following adjustments when calculating its capital ratios under § 3.10:

(1) Deconsolidate any permitted payment stablecoin issuer from the insured national bank's or Federal savings association's balance sheet;

(2) Deduct from common equity tier 1 capital any amount of positive retained earnings that originated from the permitted payment stablecoin issuer to the extent not paid out as dividends to the insured national bank or Federal savings association;

(3) Add back to common equity tier 1 capital the bank's share of any losses incurred by the permitted payment stablecoin issuer; and

(4) Exclude any investment in (to the extent not deducted under paragraph (i)(2) of this section) and receivable from the permitted payment stablecoin issuer when calculating standardized total risk-weighted assets, advanced approaches risk-weighted assets, average total consolidated assets, and total leverage exposure, as applicable.

PART 6—PROMPT CORRECTIVE ACTION

■ 3. The authority citation for part 6 continues to read as follows:

Authority: 12 U.S.C. 93a, 1831o, 5412(b)(2)(B).

§ 6.2 [Amended]

■ 4. Amend § 6.2 by, in the definition of ''Total assets'' in the first sentence, removing ''as provided in § 3.22(a), (c), and (d) of this chapter'' and adding ''as provided in § 3.22(a), (c), (d), and (i) of this chapter'' in its place.

PART 8—ASSESSMENT OF FEES

■ 5. The authority citation for part 8 is revised to read as follows:

Authority: 12 U.S.C. 16, 93a, 481, 482, 1467, 1831c, 1867, 3102, 3108, and 5901 *et seq.;* and 15 U.S.C. 78c and 78*l.*

■ 6. Add a heading for newly designated subpart A to read as follows:

Subpart A—Assessment of National Banks, Federal Savings Associations, Federal Branches, and Federal Agencies

§§ 8.1 through 8.8 [Designated as Subpart A]

■ 7. Designate §§ 8.1 through 8.8 as subpart A.

■ 8. Revise § 8.1 to read as follows:

§ 8.1 Scope and application.

The assessments contained in this subpart are made pursuant to the authority contained in 12 U.S.C. 16, 93a, 481, 482, 1467, 1831c, 1867, 3102, 3108, and 5901 *et seq.;* and 15 U.S.C. 78c and 78*l.*

■ 9. Amend § 8.2 by:

■ a. Revising paragraphs (a)(5), (b)(2), and (c)(1);

■ b. Redesignating paragraphs (c)(2) through (4) as paragraphs (c)(3) through (5);

■ c. Adding a new paragraph (c)(2);

■ d. Revising newly redesignated paragraph (c)(5); and

■ e. Adding paragraph (e).

The revisions and additions read as follows:

§ 8.2 Semiannual assessment.

(a) * * *

(5) The specific marginal rates and complete assessment schedule will be published in the ''Notice of Office of the Comptroller of the Currency Fees and Assessments,'' provided for at § 8.8. Except as otherwise provided in paragraph (e) of this section, each semiannual assessment is based upon the total assets shown in the national bank's or Federal savings association's most recent ''Consolidated Reports of Condition and Income'' (Call Report) preceding the payment date. Each national bank or Federal savings association subject to the jurisdiction of the OCC on the date of the second or fourth quarterly Call Report, as appropriate, required by the OCC under 12 U.S.C. 161 and 12 U.S.C. 1464(v), is subject to the full assessment for the next six-month period. National banks and Federal savings associations that are no longer subject to the jurisdiction of the OCC as of the date of the first or third quarterly Call Report, as appropriate, will receive a refund of assessments for the second three months of the semiannual assessment period.

* * * * *

(b) * * *

(2) The amount of the semiannual assessment paid by each Federal branch and Federal agency shall be computed at the same rate as provided in table 1 to paragraph (a) of this section; however, except with respect to assets attributable to activities permitted under 12 U.S.C. 5901 *et seq.,* only the total domestic assets of the Federal branch or agency shall be subject to assessment.

* * * * *

(c) * * *

(1) *General rule.* Except as provided in paragraph (c)(2) of this section, in addition to the assessment calculated according to paragraph (a) of this section, each independent credit card national bank and independent credit card Federal savings association will pay an assessment based on receivables attributable to credit card accounts owned by the national bank or Federal savings association. This assessment will be computed by adding to its asset-based assessment an additional amount determined by its level of receivables attributable. The dollar amount of the additional assessment will be published in the ''Notice of Office of the Comptroller of the Currency Fees and Assessments,'' described at § 8.8.

(2) *Exception.* The additional assessment under paragraph (c)(1) of this section shall not apply to an independent credit card national bank or an independent credit card Federal savings association if the ratio of the institution's total gross receivables attributable to its balance sheet assets does not exceed 50 percent, after taking into account the institution's balance sheet assets attributable to activities permitted under 12 U.S.C. 5901 *et seq.*

* * * * *

(5) *Reports of receivables attributable.* Independent credit card national banks and independent credit card Federal savings associations will report receivables attributable data and assets attributable to activities permitted under 12 U.S.C. 5901 *et seq.* data to the OCC semiannually at a time specified by the OCC.

* * * * *

(e) *Special rules governing the treatment of assets attributable to stablecoin reserves.*

To the extent the assets reported by the national bank or Federal savings association on its Call Report reflect the stablecoin reserve assets that a permitted payment stablecoin issuer holds under 12 U.S.C. 5903, the semiannual general assessment fee for such institution shall be calculated as follows:

(1) For assets other than those reflecting stablecoin reserve assets that a permitted payment stablecoin issuer holds under 12 U.S.C. 5903, using the formula set forth under paragraph (a) of this section to determine the assessed amount.

(2) For assets reflecting the stablecoin reserve assets that a permitted payment stablecoin issuer holds under 12 U.S.C. 5903, using the formula set forth under paragraph (a) of this section, except that the OCC will calculate the assessed amount by reducing the resulting figure by 35 percent, or such greater percentage (up to 55 percent) as the OCC may deem appropriate for stablecoin reserves held by national banks and Federal savings associations based on its experience supervising permitted payment stablecoin issuers. The OCC will publish the percentage reduction applied to assets reflecting stablecoin reserve assets on an annual basis in the ''Notice of Office of the Comptroller of the Currency Fees and Assessments.'' To calculate the reserve asset assessment discount, the OCC will use the reserve assets shown on Schedule B of the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date.

■ 10. Amend § 8.6 by:

■ a. Revising paragraph (c)(1) introductory text and paragraph (c)(3);

■ b. Adding paragraphs (c)(4) and (5);

The revisions and additions to read as follows:

§ 8.6 Fees for special examinations and investigations.

* * * * *

(c) * * *

(1) *Independent trust national banks and independent trust Federal savings associations.* Except as provided in paragraph (c)(3) of this section, the assessment of independent trust national banks and independent trust Federal savings associations will include a fiduciary and related asset component, in addition to the assessment calculated according to § 8.2, as follows:

* * * * *

(3) *Effect of income from balance sheet assets attributable to activities permitted under the GENIUS Act.* The additional assessment under paragraph (c)(1) of this section shall not apply to an independent trust national bank or an independent trust Federal savings association if the institution generates more than 50 percent of its interest and non-interest income from activities other than credit card operations or trust

activities, after taking into account the institution's balance sheet assets attributable to activities permitted under 12 U.S.C. 5901 *et seq.*

(4) *Definitions.* For purposes of this paragraph (c), the following definitions apply:

(i) *Affiliate,* with respect to a national bank, has the same meaning as this term has in 12 U.S.C. 221a(b);

(ii) *Affiliate,* with respect to Federal savings associations, has the same meaning as in 12 U.S.C. 1462(7);

(iii) *Full-service national bank* is a national bank that generates more than 50 percent of its interest and non-interest income from activities other than credit card operations or trust activities and is authorized according to its charter to engage in all types of permissible banking activities;

(iv) *Full-service Federal savings association* is a Federal savings association that generates more than 50 percent of its interest and non-interest income from activities other than credit card operations or trust activities and is authorized according to its charter to engage in all types of activities permissible for Federal savings associations;

(v) *Independent trust national bank* is a national bank that has trust powers, does not primarily offer full-service banking, and is not affiliated with a full-service national bank;

(vi) *Independent trust Federal savings association* is a Federal savings association that has trust powers, does not primarily offer full-service banking, and is not affiliated with a full-service Federal savings association; and

(vii) *Fiduciary and related assets* are those assets reported on Schedule RC–T of FFIEC Forms 031 and 041, Line 10 (columns A and B) and Line 11 (column B), any successor form issued by the FFIEC, and any other fiduciary and related assets defined in the ''Notice of Office of the Comptroller of the Currency Fees and Assessments.''

(5) *Additional reporting.* Independent trust national banks and independent trust Federal savings associations will report the percentage of their interest and non-interest income from activities other than credit card operations or trust activities, including from activities permitted under 12 U.S.C. 5901 *et seq.,* to the OCC semiannually at a time specified by the OCC.

■ 11. Amend § 8.7 by adding paragraph (d) to read as follows:

§ 8.7 Payment of interest on delinquent assessments and examination and investigation fees.

* * * * *

(d) *Special rules governing the assessment of permitted payment stablecoin issuers.* If a national bank's or Federal savings association's total assets reported on that institution's Call Report do not reflect any assets that a permitted payment stablecoin issuer reports on Schedules B or C of the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date, the OCC may increase the assessment set forth in subpart A for such institution to fully reflect the amounts shown on the quarterly reports.

■ 12. Add subpart B to read as follows:

Subpart B—Assessment of Certain Other Institutions

Sec.

8.9 Scope and application.
8.10 Semiannual assessment for certain institutions.
8.11 Fees for certain institutions engaged in custodial and safekeeping activities.
8.12 Fees for special examinations and investigations.
8.13 Payment of interest on delinquent assessments and examination and investigation fees.

Subpart B—Assessment of Certain Other Institutions

§ 8.9 Scope and application.

The assessments contained in this subpart are made pursuant to the authority contained in 12 U.S.C. 93a, 481, 482, and 5901 *et seq.*

§ 8.10 Semiannual assessment for certain institutions.

(a) *Semiannual assessment.* This section applies to nonbank Federal qualified payment stablecoin issuers and State qualified payment stablecoin issuers subject to 12 U.S.C. 5903(d), except to the extent any such institution remains solely supervised by a State payment stablecoin regulator. Each institution subject to this section shall pay to the OCC a semiannual assessment fee, due by March 31 and September 30 of each year, for the six-month period beginning on January 1 and July 1 before each payment date. Except as provided under paragraph (a)(6) of this section, the OCC will calculate the amount due under this section and provide a notice of assessments to each institution no later than 7 business days prior to collection on March 31 and September 30 of each year. In setting assessments, the semiannual assessment will be calculated as follows:

TABLE 1 TO PARAGRAPH (a)—SEMIANNUAL ASSESSMENT FOR NONBANK FEDERAL QUALIFIED PAYMENT STABLECOIN ISSUERS AND CERTAIN STATE QUALIFIED PAYMENT STABLECOIN ISSUERS

If the institution's total assets (consolidated domestic and foreign subsidiaries) are:		The semiannual assessment is:		
Over—	But not over—	This amount—base amount	Plus marginal rates	Of excess over—
Column A million (dollars)	Column B million (dollars)	Column C million (dollars)	Column D million (dollars)	Column E million (dollars)
0	2	X1	0	
2	20	X2	Y1	2
20	100	X3	Y2	20
100	200	X4	Y3	100
200	1,000	X5	Y4	200
1,000	2,000	X6	Y5	1,000
2,000	6,000	X7	Y6	2,000
6,000	20,000	X8	Y7	6,000
20,000	40,000	X9	Y8	20,000
40,000	250,000	X10	Y9	40,000
250,000		X11	Y10	250,000

(1) Every institution falls into one of the asset-size brackets denoted by Columns A and B. An institution's assessment is composed of two parts. The first part is the calculation of a base amount of the assessment, which is computed on the assets of the institution, up to the lower endpoint (Column A) of the bracket in which it falls. This base amount of the assessment is calculated by the OCC in Column C.

(2) The second part is the calculation of assessments due on the institution's remaining assets in excess of Column E. The excess is assessed at the marginal rate shown in Column D.

(3) The total semiannual assessment is the amount in Column C, plus the amount of the institution's assets in excess of Column E, times the marginal rate in Column D: Assessments = C + [(Assets − E) × D].

(4) Each year, the OCC may index the marginal rates in Column D to adjust for the percentage in the level of prices, as measured by changes in the Gross Domestic Product Implicit Price Deflator (GDPIPD) for each June-to-June period. The OCC may, at its discretion, adjust marginal rates by amounts other than the percentage change in the GDPIPD. The OCC will also adjust the amounts in Column C to reflect any change made to the marginal rate.

(5) The specific marginal rates and complete assessment schedule will be published in the ''Notice of Office of the Comptroller of the Currency Fees and Assessments,'' provided for at § 8.8. Except as otherwise provided in paragraph (a)(6) of this section, each semiannual assessment is based upon the assets shown on Schedule B of the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date. Each institution subject to the jurisdiction of the OCC beginning on the second and fourth calendar quarters is subject to full assessment for the next period. Institutions that are no longer subject to the jurisdiction of the OCC at the end of the first and third calendar quarters, as appropriate, will receive a refund of assessments for the second three months of the semiannual assessment period.

(6) The semiannual assessment for such institution shall be calculated as follows:

(i) For assets other than those reflecting the stablecoin reserve assets that a permitted payment stablecoin issuer holds under 12 U.S.C. 5903, using the formula set forth under this paragraph (a) to determine the assessed amount.

(ii) For assets reflecting the stablecoin reserve assets that a permitted payment stablecoin issuer holds under 12 U.S.C. 5903, using the formula set forth under this paragraph (a), except that the OCC will calculate the assessed amount by reducing the resulting figure by 35 percent, or such greater percentage (up to 55 percent) as the OCC may deem appropriate for stablecoin reserves held by institutions subject to this section based on its experience supervising permitted payment stablecoin issuers. The OCC will publish the percentage reduction applied to assets reflecting stablecoin reserve assets on an annual basis in the ''Notice of Office of the Comptroller of the Currency Fees and Assessments.''

(b) *Surcharge based on the condition of the permitted payment stablecoin issuer.* Subject to any limit that the OCC prescribes in the ''Notice of Office of the Comptroller of the Currency Fees and Assessments,'' the OCC shall apply a surcharge to the semiannual assessments computed in accordance with paragraph (a) of this section. This surcharge will be determined by multiplying the semiannual assessment computed in accordance with paragraph (a) of this section by—

(1) 1.5, in the case of any institution subject to this section that was found at its most recent examination prior to December 31 or June 30, as appropriate, to be in less than satisfactory condition; and

(2) 2.0, in the case of any institution subject to this section that was found at its most recent examination prior to December 31 or June 30, as appropriate, to be in deficient or critically deficient condition.

(c) *Additional assessments.* Notwithstanding paragraph (a) of this section, all State qualified payment stablecoin issuers subject to the OCC's jurisdiction may be subject to the assessments described in § 8.12 in connection with carrying out the responsibilities of the Office of the Comptroller, including in connection with 12 U.S.C. 5903(d)(3) and 5906(e)(2).

§ 8.11 Fees for certain institutions engaged in custodial and safekeeping activities.

(a) This section applies to institutions subject to § 8.10 for which 50 percent or more of their interest and non-interest income is derived from custodial or safekeeping activities permitted under 12 U.S.C. 5901 *et seq.,* as reflected on the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date. The assessment for those institutions engaged in the custodial and safekeeping activities described in 12 U.S.C. 5901 *et seq.* shall include a component for assets attributable to such activities, in addition to the assessment calculated according to § 8.10, as follows:

(1) *Minimum fee.* Institutions subject to this paragraph (a) will pay a minimum fee, to be provided in the ''Notice of Office of the Comptroller of the Currency Fees and Assessments.''

(2) *Additional amount for certain assets in excess of $1 billion.* Institutions subject to this paragraph (a) engaged in custodial and safekeeping activities permitted under 12 U.S.C. 5901 *et seq.* with assets attributable to such activities in excess of $1 billion, as reflected on Schedule C of the most recent report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date, will pay an amount that exceeds the minimum fee. The amount to be paid will be calculated by multiplying the amount of assets attributable to the safekeeping and custodial activities permitted under 12 U.S.C. 5901 *et seq.* by a rate or rates provided by the OCC in the ''Notice of Office of the Comptroller of the Currency Fees and Assessments.''

(b) *Surcharge based on the condition of the permitted payment stablecoin issuer.* Subject to any limit that the OCC prescribes in the ''Notice of Office of the Comptroller of the Currency Fees and Assessments,'' the OCC shall apply a surcharge to the semiannual assessments computed in accordance with paragraph (a) of this section. This surcharge will be determined by multiplying the semiannual assessment computed in accordance with paragraph (a) of this section by—

(1) 1.5, in the case of any institution subject to this section that was found at its most recent examination prior to December 31 or June 30, as appropriate, to be in less than satisfactory condition; and

(2) 2.0, in the case of any institution subject to this section that was found at its most recent examination prior to December 31 or June 30, as appropriate, to be in deficient or critically deficient condition.

§ 8.12 Fees for special examinations and investigations.

(a) *Fees.* With respect to any institution subject to the jurisdiction of the OCC under the GENIUS Act, including foreign payment stablecoin issuers subject to the OCC's jurisdiction, the OCC may assess a fee for:

(1) Conducting special examinations or investigations, including any supervision- and enforcement-related

activities described in 12 U.S.C. 5905 or 12 U.S.C. 5906(e)(2);

(2) Conducting special examinations and investigations of affiliates of institutions subject to this subpart;

(3) Reviewing requests for waivers as referenced in 12 U.S.C. 5903(d)(3); and

(4) Conducting special examinations and investigations made pursuant to 12 CFR part 5.

(b) *Notice of Office of Comptroller of the Currency Fees and Assessments.* The OCC publishes the fee schedule for special examinations and investigations under this subpart in the ''Notice of Office of the Comptroller of the Currency Fees and Assessments'' described in § 8.8.

§ 8.13 Payment of interest on delinquent assessments and examination and investigation fees.

(a) Any institution subject to this subpart shall pay to the OCC interest on its delinquent payments of semiannual assessments. In addition, each institution subject to a special examination or investigation fee shall pay to the OCC interest on its delinquent payments of special examination and investigation fees. Semiannual assessment payments will be considered delinquent if they are received after the time for payment specified in § 8.10. Special examination and investigation fees will be considered delinquent if not received by the OCC within 30 calendar days of the invoice date.

(b) In the event that an institution believes that the notice of assessments or special examination and investigation fees contains an error or miscalculation, the institution may provide the OCC with a written request for a revised notice and a refund of any overpayments. Any such request for a revised notice and refund must be made after timely payment of the semiannual assessment under the dates specified in § 8.10 or timely payment of the special examination and investigation fee within 30 calendar days of the invoice date.

(1) Within 30 calendar days of receipt of such request, the OCC shall either—

(i) Refund the amount of the overpayment; or

(ii) Provide notice of its unwillingness to accept the request for a revised notice of assessments. In the latter instance, the OCC and the entity claiming the overpayment shall thereafter attempt to reach agreement on the amount, if any, to be refunded; the OCC shall refund this amount within 30 calendar days of such agreement.

(2) The OCC shall be considered delinquent if it fails to return an overpayment in accordance with the time limitations specified in this paragraph (b). The OCC shall pay interest on any such delinquent payments.

(c) Interest on delinquent payments, as described in paragraphs (a) and (b) of this section, will be assessed beginning the first calendar day on which payment is considered delinquent, and on each calendar day thereafter up to and including the day payment is received. Interest will be simple interest, calculated for each day payment is delinquent by multiplying the daily equivalent of the applicable interest rate by the amount delinquent. The rate of interest will be the United States Treasury Department's current value of funds rate (the ''TFRM rate''); that rate is issued under the Treasury Fiscal Requirements Manual and is published quarterly in the **Federal Register**. The interest rates applicable to a delinquent payment will be determined as follows:

(1) For delinquent days occurring from January 1 to March 31, the rate will be the TFRM rate that is published the preceding December for the first quarter of the ensuing year.

(2) For delinquent days occurring from April 1 to June 30, the rate will be the TFRM rate that is published the preceding March for the second quarter of that year.

(3) For delinquent days occurring from July 1 to September 30, the rate will be the TFRM rate that is published the preceding June for the third quarter of that year.

(4) For delinquent days occurring from October 1 to December 31, the rate will be the TFRM rate that is published the preceding September for the fourth quarter of that year.

(d) If the assets reported by an institution on its most recent quarterly report filed by the institution pursuant to 12 CFR 15.14(i) preceding the payment date do not reflect the assets that institution holds under 12 U.S.C. 5903 or assets otherwise attributable to the institution's custodial and safekeeping activities as described in 12 U.S.C. 5901 *et seq.,* the OCC may increase the assessment set forth in this subpart for such institution to fully reflect the appropriate amount of attributable assets.

■ 13. Add subpart C, consisting of § 8.14, to read as follows:

Subpart C—General Provisions

§ 8.14 Reservation of authority.

The OCC may waive or modify the requirements of this part or adopt different procedures implementing this part, as necessary, to administer and carry out its authorities to collect assessments, fees, and other charges to meet the agency's expenses in carrying out authorized activities.

■ 15. Add part 15 to read as follows:

PART 15—PAYMENT STABLECOINS

Sec.

Subpart A—Purpose, Scope, Definitions, Severability, and Reservation of Authority

15.1 Purpose and scope.
15.2 Definitions.
15.3 Severability.
15.4 Reservation of Authority.

Subpart B—Permitted Payment Stablecoin Issuers and State Qualified Payment Stablecoin Issuers

15.10 Activities.
15.11 Reserve assets.
15.12 Redemption.
15.13 Risk management.
15.14 Audits, reports, and supervision.
15.15 State qualified payment stablecoin issuers.
15.16 Unusual and exigent circumstances.

Subpart C—Custody

15.20 Definitions.
15.21 Covered asset custodial property requirements.
15.22 Use of omnibus accounts.
15.23 Self-custody hardware and software exclusion.

Subpart D—Applications and Registrations

15.30 Approval of permitted payment stablecoin issuers.
15.31 Foreign payment stablecoin issuers.
15.32 Registration of foreign payment stablecoin issuers.
15.33 Revocation or rescission of approval.

Subpart E—Capital and Operational Backstop

15.40 Capital.
15.41 Minimum capital and operational backstop.
15.42 Individual additional capital or backstop requirement.

Authority: 12 U.S.C. 1, 24, 27, 92a, 93a, 161, 1461, 1462a, 1463, 1464, 1467a, 1818, 3101 through 3109, 5412, 5901 through 5916.

PART 15—PAYMENT STABLECOINS

Subpart A—Purpose, Scope, Definitions, Severability, and Reservation of Authority

§ 15.1 Purpose and scope.

(a) *Purpose.* This part implements the Guiding and Establishing National Innovation for U.S. Stablecoins Act (12 U.S.C. 5901 *et seq.*) (GENIUS Act) with respect to entities for which the OCC is authorized to issue regulations or exercise its enforcement authority under the Act.

(b) *Scope.* This part applies to the following entities' activities related to payment stablecoins and certain custody activities—

(1) National banks and their subsidiaries;

(2) Federal savings associations and their subsidiaries;

(3) Federal branches and their subsidiaries;

(4) Foreign payment stablecoin issuers;

(5) Nonbank entities that seek to be or are approved as Federal qualified payment stablecoin issuers; and

(6) State qualified payment stablecoin issuers for which the OCC has regulatory or enforcement authority pursuant to § 15.15 or § 15.16.

§ 15.2 Definitions.

For purposes of this part, the following definitions apply:

Affiliate means a person that controls, is controlled by, or is under common control with another person.

Bank Secrecy Act means:

(1) Section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

(2) Chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 *et seq.*); and

(3) Subchapter II of chapter 53 of title 31, United States Code and notes thereto (31 U.S.C. 5311 *et seq.*).

Board of directors means a permitted payment stablecoin issuer's or applicant's board of directors or the group of individuals that serves the nearest equivalent function of acting as the governing body of the permitted payment stablecoin issuer or applicant.

Business day means any day other than a Saturday, Sunday, or Federal holiday.

Control. A person controls another person if:

(1) The person directly or indirectly or acting through one or more other persons owns, controls, or has power to vote 25 percent or more of any class of voting securities of the other person;

(2) The person controls in any manner the election of a majority of the directors or trustees of the other person; or

(3) The OCC determines, after notice and opportunity for hearing, that the person directly or indirectly exercises a controlling influence over the management or policies of the other person.

Customer means a person that purchases (through any consideration) the products or services of a permitted payment stablecoin issuer or foreign payment stablecoin issuer directly from the issuer or that makes a request directly to the issuer that the issuer convert, redeem, or repurchase a payment stablecoin.

Deposit means ''deposit'' as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)).

Depository institution means:

(1) A depository institution as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)); or

(2) An insured credit union as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

Digital asset means any digital representation of value that is recorded on a cryptographically secured distributed ledger.

Director means an individual who serves on the board of directors of a permitted payment stablecoin issuer or applicant, except an advisory director who does not have the authority to vote on matters before the board of directors or any committee of the board of directors and provides solely general policy advice to the board of directors or any committee.

Distributed ledger means technology in which:

(1) Data is shared across a network that creates a public digital ledger of verified transactions or information among network participants; and

(2) Cryptography is used to link the data to maintain the integrity of the public ledger and execute other functions.

Eligible financial institution means:

(1) A person that:

(i) Is eligible to hold reserve assets in custody under section 10(a) of the GENIUS Act (12 U.S.C. 5909(a));

(ii) Complies with the applicable requirements in section 10(b), (c), and (d) of the GENIUS Act (12 U.S.C. 5909(b), (c), and (d)), including with applicable implementing regulations issued by a relevant primary Federal payment stablecoin regulator as defined in 12 U.S.C. 5901(25), primary financial regulatory agency described in 12 U.S.C. 5301(12)(B) or (C), State bank supervisor, or State credit union supervisor; and

(iii) If applicable, enters into a custody agreement with a permitted payment stablecoin issuer documenting the person's compliance with paragraph (1)(ii) of this definition and has in place policies and procedures designed to ensure compliance; or

(2) A Federal Reserve Bank.

Executive officer means the president, chairman, chief executive officer, chief operating officer, chief financial officer, chief investment officer, chief risk officer, chief technology officer, and Bank Secrecy Act officer. The term includes any individual serving in the functional capacity of the listed titles or their equivalent, without regard to title, salary, or compensation.

Fair value means fair value as determined under GAAP.

FDIC means the Federal Deposit Insurance Corporation.

Federal branch has the meaning set forth in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(s)(2)).

Federal qualified payment stablecoin issuer means the following entities that are approved by the OCC, pursuant to § 15.30, to issue payment stablecoins—

(1) A nonbank entity, other than a State qualified payment stablecoin issuer;

(2) An uninsured national bank that is chartered by the OCC, pursuant to title LXII of the Revised Statutes; or

(3) A Federal branch.

Federal Reserve means the Board of Governors of the Federal Reserve System.

Foreign payment stablecoin issuer means an issuer of a payment stablecoin that is—

(1) Organized under the laws of, or domiciled in, a foreign country or a territory of the United States; and

(2) Not a permitted payment stablecoin issuer as defined in section 2(23) of the GENIUS Act (12 U.S.C. 5901(23)).

GAAP means generally accepted accounting principles as used in the United States.

Immediate family means the spouse of an individual, the individual's minor children, and any of the individual's children (including adults) residing in the individual's home.

Insider means a principal shareholder, an executive officer, a director, or a related interest of, or the immediate family of, any of these persons.

Insured credit union has the meaning given to that term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

Insured depository institution means:

(1) An insured depository institution, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(2)); and

(2) An insured credit union.

Monetary value means a national currency or deposit denominated in a national currency.

Money means:

(1) Monetary value; and

(2) Any other medium of exchange that the OCC has determined is currently authorized or adopted by a domestic or foreign government, including a monetary unit of account established by an intergovernmental organization or by agreement between two or more countries.

National currency means:

(1) A Federal Reserve note (as the term is used in the first undesignated paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 411));

(2) Money standing to the credit of an account with a Federal Reserve Bank;

(3) Money issued by a foreign central bank; or

(4) Money issued by an intergovernmental organization pursuant to an agreement by two or more governments.

Nonbank entity means a person that is not a depository institution or subsidiary of a depository institution.

Nonpublic personal information, as used in this part:

(1) Means information—

(i) Provided by a customer to a permitted payment stablecoin issuer to obtain a financial product or service;

(ii) About a customer resulting from any transaction involving a financial product or service between the permitted payment stablecoin issuer and a customer; or

(iii) Otherwise obtained by the permitted payment stablecoin issuer in connection with providing a financial product or service to a customer; and

(2) Does not include publicly available information, including information broadly accessible through a distributed ledger.

OCC means the Office of the Comptroller of the Currency.

Outstanding issuance value means the total par value of all the payment stablecoins issued by a permitted payment stablecoin issuer.

Payment stablecoin, as used in this part:

(1) Means a digital asset—

(i) That is, or is designed to be, used as a means of payment or settlement; and

(ii) The issuer of which—

(A) Is obligated to convert, redeem, or repurchase for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value; and

(B) Represents that such issuer will maintain, or creates the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value; and

(2) Does not include a digital asset that is a—

(i) National currency;

(ii) Deposit, including a deposit recorded using distributed ledger technology; or

(iii) Security, as defined in section 2 of the Securities Act of 1933 (15 U.S.C. 77b), section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c), or section 2 of the Investment Company Act of 1940 (15 U.S.C. 80a–2).

Payment stablecoin holder means the beneficial owner of a payment stablecoin.

Permitted payment stablecoin issuer means a person formed in the United States that is a—

(1) Subsidiary of an insured national bank or Federal savings association that has been approved to issue payment stablecoins under § 15.30;

(2) Federal qualified payment stablecoin issuer; or

(3) State qualified payment stablecoin issuer subject to the OCC's regulatory or enforcement authority under section 4 of the GENIUS Act (12 U.S.C. 5903).

Person means an individual, partnership, company, corporation, association, trust, estate, cooperative organization, or other business entity, incorporated or unincorporated.

Principal shareholder means a person who, directly or indirectly, or acting in concert with one or more persons, or together with members of their immediate family, will own, control, or hold 10 percent or more of the voting stock of the permitted payment stablecoin issuer or applicant.

Private key means the cryptographic material, whether held in whole, in shares, or reconstructed ephemerally, that confers the ability to authorize a transaction on a distributed ledger.

Publicly available information means any information that a person has a reasonable basis to believe is lawfully made available to the general public from:

(1) Federal, State, or local government records;

(2) Widely distributed media;

(3) Disclosures to the general public that are required to be made by Federal, State, or local law; or

(4) A distributed ledger.

Registered public accounting firm has the meaning set forth in section 2 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7201(12)).

Related interest of a person means:

(1) A company that is controlled by that person; or

(2) A political or campaign committee that is controlled by that person or the funds or services of which will benefit that person.

Reserve asset means an asset maintained by a permitted payment stablecoin issuer of a type enumerated in § 15.11(b).

Reserve asset value of a payment stablecoin means the sum of:

(1) The total fair value of reserve assets, net of any associated liabilities, other than United States coins and currency; and

(2) The total face value of reserve assets comprising United States coins and currency.

Sensitive customer information means any combination of components of customer information that would reveal the identity of the customer or allow someone access to the customer's account, including a customer's public key in conjunction with the customer's private key.

Share account means an ''account'' as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752(5)).

Stablecoin Certification Review Committee has the meaning set forth in section 2 of the GENIUS Act (12 U.S.C. 5901(27)).

State means each of the several States of the United States, the District of Columbia, and each territory of the United States.

State payment stablecoin regulator means a State agency that has primary regulatory and supervisory authority in such State over entities that issue payment stablecoins.

State qualified payment stablecoin issuer means a person that is—

(1) Legally established under the laws of a State and approved to issue payment stablecoins by a State payment stablecoin regulator; and

(2) Not an uninsured national bank chartered by the OCC pursuant to title LXII of the Revised Statutes, a Federal branch, an insured depository institution, or a subsidiary of such an uninsured national bank, Federal branch, or insured depository institution.

Subsidiary has the meaning set forth in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(4)).

Tokenized form means, with respect to an asset, that:

(1) The authoritative record of the asset is maintained using distributed ledger technology, regardless of whether a corresponding non-tokenized instrument or account entry also exists; and

(2) The legal rights conferred by the asset are identical to those that would be conferred by a non-tokenized form of the asset under applicable law.

United States customer means a customer that, at the time of onboarding:

(1) Is an individual and resides in the United States;

(2) Is incorporated or organized under the laws of the United States or any State; or

(3) Has its principal place of business in the United States.

§ 15.3 Severability.

The provisions of this part are separate and severable from one another. If any provision is stayed or determined to be invalid, it is the OCC's intention that the remaining provisions shall continue in effect.

§ 15.4 Reservation of authority.

The OCC may waive or modify the requirements of this part or adopt

different procedures implementing this part, as necessary, to administer and carry out the requirements of the GENIUS Act (12 U.S.C. 5901 *et seq.*), including with respect to ensuring financial stability, ensuring timely redemption of payment stablecoins, and protecting the claims of payment stablecoin holders.

Subpart B—Permitted Payment Stablecoin Issuers and State Qualified Payment Stablecoin Issuers

§ 15.10 Activities.

(a) *Permitted activities.* A permitted payment stablecoin issuer may not engage in any activity other than the following:

(1) Issue payment stablecoins;

(2) Redeem payment stablecoins;

(3) Manage reserves related to the issuance or redemption of payment stablecoins, including purchasing, selling, and holding reserve assets or providing custodial services for reserve assets, consistent with applicable State and Federal law;

(4) Provide custodial or safekeeping services for payment stablecoins, required reserves, or private keys of payment stablecoins, consistent with subpart C of this part;

(5) Assess fees associated with purchasing or redeeming payment stablecoins;

(6) Act as principal or agent with respect to any payment stablecoin;

(7) Pay fees to facilitate customer transactions;

(8) Hold as principal non-payment stablecoin digital assets as necessary to pay fees, including customer fees and network fees, or to conduct necessary testing on distributed ledger-based platforms, provided that such principal holdings shall not exceed quantities necessary for the reasonably foreseeable conduct of such activities;

(9) Establish a trust arrangement under applicable law for reserve assets, including the granting of a security interest in reserve assets, provided that:

(i) Any security interest in reserve assets granted to the trustee is for the sole benefit of payment stablecoin holders;

(ii) The arrangement with the trustee does not impair the permitted payment stablecoin issuer's ability to timely redeem payment stablecoins in the normal course of business prior to default;

(iii) The arrangement does not introduce claims that would compete with the claims of payment stablecoin holders of payment stablecoins issued by the permitted payment stablecoin issuer in the event of the insolvency of the permitted payment stablecoin issuer; and

(iv) The arrangement with the trustee does not impair the ability of a receiver of the permitted payment stablecoin issuer to direct the prompt transfer or liquidation of the reserve assets in order to pay claims to payment stablecoin holders;

(10) Manage foreign exchange risk, subject to the requirements of § 15.13(a)(10); and

(11) Undertake any other activities, including hiring third parties, that directly support any of the activities described in paragraphs (a)(1) through (4) of this section.

(b) *Rule of construction.* Nothing in paragraph (a) of this section may be construed to limit:

(1) The authority of a depository institution, national bank, or trust company to engage in activities permissible pursuant to applicable State and Federal law; or

(2) The authority of a permitted payment stablecoin issuer to engage in an activity authorized consistent with section 4(a)(7)(B) of the GENIUS Act (12 U.S.C. 5903(a)(7)(B)).

(c) *Prohibitions.* A permitted payment stablecoin issuer must not:

(1) Use a deceptive name by using any combination of terms relating to the United States Government, including ''United States,'' ''United States Government,'' and ''USG,'' in the name of the payment stablecoin. This prohibition does not apply to abbreviations relating directly to the currency to which the payment stablecoin is pegged, such as ''USD''.

(2) Market a payment stablecoin in such a way that a reasonable person would perceive the payment stablecoin to be:

(i) Legal tender as described in 31 U.S.C. 5103;

(ii) Issued by the United States; or

(iii) Guaranteed or approved by the Government of the United States.

(3) Directly or through implication represent that payment stablecoins are backed by the full faith and credit of the United States, guaranteed by the United States Government, or subject to Federal deposit insurance or Federal share insurance.

(4) Pay a payment stablecoin holder any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of such payment stablecoin.

(5) Pledge, rehypothecate, or reuse any reserve assets required under § 15.11 either directly or indirectly (*e.g.,* through a third-party custodian of the reserve assets) except for the purpose of:

(i) Satisfying margin obligations in connection with investments in permitted reserves under § 15.11(b)(4) or (5);

(ii) Satisfying obligations associated with the use, receipt, or provision of standard custodial services; or

(iii) Creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins, such that reserves in the form of Treasury bills with a maturity of 93 days or less may be sold as purchased securities in repurchase agreements, provided that either:

(A) The repurchase agreements are cleared by a clearing agency registered with the Securities and Exchange Commission; or

(B) The permitted payment stablecoin issuer receives prior approval from the OCC by order or pursuant to paragraph (d) of this section.

(6) Engage in any activity that the OCC determines is an evasion of the requirements of section 4 of the GENIUS Act (12 U.S.C. 5903) or this part.

(d) *Prior approval.* Pursuant to section 4(a)(2)(C)(ii) of the GENIUS Act (12 U.S.C. 5903(a)(2)(C)(ii)) and paragraph (c)(5)(iii)(B) of this section, the OCC approves, for all permitted payment stablecoin issuers, repurchase agreements wherein the Treasury bills that are sold as purchased securities have a maturity of 93 days or less.

§ 15.11 Reserve assets.

(a) *Reserve requirements.* A permitted payment stablecoin issuer must:

(1) Maintain reserve assets that:

(i) Are identifiable;

(ii) Are segregated from and not commingled with other assets owned or held by the permitted payment stablecoin issuer;

(iii) At all times have a reserve asset value that equals or exceeds the outstanding issuance value of the permitted payment stablecoin issuer; and

(iv) Are either held directly by the permitted payment stablecoin issuer or within the custody of an eligible financial institution.

(2) Demonstrate the operational capability to access and monetize the identifiable reserve assets to meet redemptions, in both normal and adverse economic, liquidity, market, and interest rate conditions, commensurate with the permitted payment stablecoin issuer's risk profile and business model, taking into account, among other relevant factors, market access, financing channels, haircut assumptions, and operational readiness;

(3) Ensure that reserve asset value will continue to equal or exceed outstanding

issuance value at all times and that the reserve asset portfolio will be capable of supporting timely redemption under both normal conditions and adverse economic, liquidity, market, and interest rate conditions, including, to the extent necessary, maintaining a buffer of reserve assets in excess of outstanding issuance value; and

(4) Only withdraw reserve assets in excess of outstanding issuance value after appropriate due diligence and confirmation that the withdrawal would not cause the reserve asset value to fall below outstanding issuance value, calculated as of the time and date of withdrawal.

(b) *Composition.* The reserve assets required under paragraph (a) of this section must comprise exclusively:

(1) United States coins and currency (including Federal Reserve notes) or money standing to the credit of an account with a Federal Reserve Bank;

(2) Funds held as demand deposits (or other deposits that may be withdrawn upon request at any time) or insured shares at an insured depository institution (including any foreign branches or agents, including correspondent banks, of an insured depository institution), subject to any limitation established by the FDIC and the National Credit Union Administration, as applicable, pursuant to section 4(a)(1)(A)(ii) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(ii)) to address safety and soundness risks of such insured depository institution;

(3) Treasury bills, Treasury notes, or Treasury bonds with a remaining maturity of 93 days or less;

(4) Money received under repurchase agreements, with the permitted payment stablecoin issuer acting as a seller of securities and with a no longer than overnight maturity, that are backed by Treasury bills with a maturity of 93 days or less;

(5) Reverse repurchase agreements, with the permitted payment stablecoin issuer acting as a purchaser of securities and with a no longer than overnight maturity, that are collateralized by Treasury bills, Treasury notes, or Treasury bonds on a no longer than overnight basis, subject to overcollateralization in line with standard market terms, that are:

(i) Tri-party;

(ii) Centrally cleared through a clearing agency registered with the Securities and Exchange Commission; or

(iii) Bilateral with a counterparty that the issuer has determined to be adequately creditworthy even in the event of severe market stress;

(6) Securities that are:

(i) Issued by an investment company registered under section 8(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–8(a)), or other registered Government money market fund; and

(ii) Invested solely in underlying assets described in paragraphs (b)(1) through (5) of this section;

(7) Any other similarly liquid Federal Government-issued asset approved by the OCC, in consultation with the State payment stablecoin regulator, if applicable, of the permitted payment stablecoin issuer, and subject to such conditions as the OCC may impose consistent with the purposes of the GENIUS Act. In determining whether a potential reserve asset qualifies as ''any other similarly liquid Federal Government-issued asset,'' the OCC will consider, among other relevant factors, whether:

(i) The asset has liquidity characteristics, including during times of stress, comparable to the other reserve assets allowed under this paragraph (b);

(ii) Permitted payment stablecoin issuers will be operationally capable of monetizing the asset to meet redemption requests, including sudden and high-volume requests;

(iii) The asset poses levels of risk comparable to those of the assets allowed under this paragraph (b), including interest rate risk and counterparty credit risk; and

(iv) The asset introduces additional risks that may be difficult for permitted payment stablecoin issuers to manage; or

(8) Any reserve described in paragraphs (b)(1) through (3), (b)(6), or (b)(7) of this section in tokenized form, provided that such reserves comply with all applicable laws and regulations.

(c) *Reserve asset diversification and concentration.*

(1) A permitted payment stablecoin issuer must:

(i) Maintain reserve assets that are sufficiently diverse to manage potential credit, liquidity, interest rate, and price risks.

(ii) Measure and manage the risk that concentrating reserve assets at one eligible financial institution or a small number of eligible financial institutions may impair the ability of a permitted payment stablecoin issuer to satisfy redemption demands if individual eligible financial institutions are unable to return, or if there is a delay in returning, reserve assets placed by a permitted payment stablecoin issuer.

(iii) In order to comply with this paragraph (c)(1), depending on relevant factors, including a permitted payment stablecoin issuer's risk profile, business model, and portfolio of reserve assets, a permitted payment stablecoin issuer may need to maintain a portfolio of reserve assets that exceeds the requirements of paragraph (c)(2) of this section and the reserve asset value of which exceeds outstanding issuance value.

(2) A permitted payment stablecoin issuer must:

(i) Maintain at least 5 percent of its reserve assets as demand deposits (or other deposits that may be withdrawn upon request at any time), funds in share accounts that are payable on demand, or money standing to the credit of an account with a Federal Reserve Bank; and

(ii)(A) Limit its exposure to any one counterparty to no more than 40 percent of its reserve assets except as provided in paragraph (c)(2)(ii)(B) of this section.

(B) The following exposures are not subject to the limit in paragraph (c)(2)(ii)(A) of this section:

(*1*) Exposures to the United States Government;

(*2*) Exposures to an appropriate custodian, as described in paragraph (d) of this section, resulting from reserve assets being held in the custody of the custodian; and

(*3*) Exposures resulting from centrally cleared repurchase agreements and centrally cleared reverse repurchase agreements.

(d) *Appropriate custodians.* Reserve assets in the custody of one or more eligible financial institutions will not be subject to the 40 percent limit described in paragraph (c)(2)(ii)(A) of this section, provided that the permitted payment stablecoin issuer:

(1) Identifies itself to the custodian as a permitted payment stablecoin issuer;

(2) Ensures that the custodian commits to adhering to the requirements of section 10 of the GENIUS Act (12 U.S.C. 5909), including applicable implementing regulations; and

(3) Engages in appropriate due diligence and ongoing monitoring of its custodial arrangements to ensure compliance with applicable requirements of the GENIUS Act (12 U.S.C. 5901 *et seq.*), including applicable implementing regulations.

(e) *Composition report.* (1) By noon on the last day of each month, a permitted payment stablecoin issuer must publish on the website of the issuer the monthly composition of the issuer's reserves held pursuant to the GENIUS Act as of noon on the last day of the previous month.

(2) The report required under this paragraph (e) must use a format substantially similar to the template provided in table 1 to this paragraph (e) and contain:

(i) The total number of outstanding payment stablecoins issued by the issuer; and

(ii) The amount and composition of the reserves described in paragraph (a) of this section, including the average tenor and geographic location of custody of each category of reserve instruments.

TABLE 1 TO PARAGRAPH (e)—MONTHLY COMPOSITION TEMPLATE

	As of YYYYMMDD in thousands of U.S. dollars	Amount	Geographic location	Average tenor
	Number of Outstanding Payment Stablecoins			
[1] 1.				
2.				
3.				
4	TOTAL OUTSTANDING PAYMENT STABLECOINS.			
	Fair Value of Reserve Assets			
5	Deposits:			
6	Insured deposits.			
7	Uninsured deposits.			
8	Treasury bills, Treasury notes, or Treasury bonds.			
9	Other similarly liquid Federal Government-issued assets approved by the OCC.			
10	Money received under repurchase agreements.			
11	Reverse repurchase agreements.			
12	Securities issued by an investment company solely invested in qualifying reserve assets.			
13	Reserves in tokenized form.[2]			
14	Total face value of reserve assets comprising United States coins and currency.			
15	Total reserve assets.[3]			
16	Outstanding Repurchase Agreement Liabilities.			
17	Reserve asset value.			

[1] List different classes or brands of payment stablecoin separately, if applicable. To the extent that different classes or brands of payment stablecoins are secured by distinct pools of reserve assets, permitted payment stablecoin issuers should publish a composition table for each class or brand of payment stablecoin and describe the legal and operational mechanisms, as applicable, for how the assets are separately secured. If different classes or brands of payment stablecoins are issued by distinct issuers, such as SPV issuers, a separate report must be provided for each class or brand.

[2] Permitted payment stablecoin issuers must separately list any reserves in tokenized form by category of reserve asset, using multiple rows if appropriate.

[3] Do not double-count any reserve assets that may be listed in more than one row for purposes of computing the total.

(f) *Monthly certification; examination of reports by registered public accounting firm.* (1) By noon on the last day of each month, a permitted payment stablecoin issuer must have the information disclosed in the previous month-end report required under paragraph (e) of this section examined by a registered public accounting firm. The registered public accounting firm's examination report must be published on the website of the issuer at the same time as the month-end report required under paragraph (e) of this section.

(2) Each month, the Chief Executive Officer and Chief Financial Officer (or the persons performing the equivalent functions) of a permitted payment stablecoin issuer must submit to the OCC a certification that the monthly report required under paragraph (e) of this section is accurate.

(g) *Failure to meet minimum reserve assets requirement.* (1) A permitted payment stablecoin issuer must notify the OCC through its supervisory office on any day in which its reserve asset amount has fallen below the minimum reserve asset amount required by paragraph (a) of this section.

(2) A permitted payment stablecoin issuer that fails to satisfy the minimum reserve asset amount required by paragraph (a) of this section at any time:

(i) Is prohibited from issuing any new payment stablecoins immediately except as necessary to facilitate a transfer of payment stablecoins from one distributed ledger to another and provided that the net outstanding issuance value does not increase and except as otherwise permitted by the OCC; and

(ii) May not resume issuance until the permitted payment stablecoin issuer satisfies the minimum reserve asset requirement.

(3) If a permitted payment stablecoin issuer fails to meet the minimum reserve asset amount required by paragraph (a) of this section for 15 consecutive business days (which may be extended in the OCC's sole discretion), it must:

(i) Begin liquidation of reserve assets and redemption of outstanding payment stablecoins, consistent with § 15.12; and

(ii) Not charge customers a fee to redeem their payment stablecoins at any time during the liquidation.

(4)(i) If at any point the OCC determines that a permitted payment stablecoin issuer has not demonstrated that it meets the requirements of paragraph (a), (b), (c), or (d) of this section, the OCC may require the issuer to submit a plan describing how the permitted payment stablecoin issuer will attain compliance and the timeline for the plan.

(ii) If the OCC determines, either before or after the submission of a plan, that a permitted payment stablecoin issuer faces a significant risk of being unable to attain compliance with the requirements of paragraph (a), (b), (c), or (d) of this section within a reasonable period, the OCC may order the issuer to initiate redemption of all outstanding payment stablecoins.

(iii) The OCC's authority to require a plan or order redemption does not limit the OCC's authority to pursue other measures, including enforcement actions.

§ 15.12 Redemption.

(a) *Redemption timeline.* For purposes of this section:

(1) A permitted payment stablecoin issuer's obligation to redeem begins once:

(i) The permitted payment stablecoin issuer has received a redemption order from a customer; and

(ii) If the permitted payment stablecoin issuer has onboarding procedures reasonably designed to not unduly delay the onboarding of retail or other customers, including in times of stress, the customer has been successfully onboarded, and all other legal conditions necessary to permit redemption that complies with this part have been met.

(2) Redemption is deemed to occur when the permitted payment stablecoin issuer has fully processed and initiated the outgoing transfer of monetary value to the customer or the customer's financial institution as directed by the customer, or, if requested by the customer, credited monetary value to the customer's account with the permitted payment stablecoin issuer.

(b) *Redemption policy.* A permitted payment stablecoin issuer must publicly disclose its redemption policy and include, at a minimum, the following information in the policy:

(1) The timeframe in which the issuer will redeem payment stablecoins and the timeframe under which the issuer is required to redeem payment stablecoins under paragraph (c)(1) of this section;

(2) A statement explaining the limitation in paragraph (c)(2) of this section;

(3) A statement explaining the scenarios under which the redemption period may be extended as described in paragraph (d) of this section;

(4) A statement with clear instructions on how a payment stablecoin holder can redeem a payment stablecoin, including a link to the website(s) where a payment stablecoin holder can redeem the payment stablecoin; and

(5) The minimum number of payment stablecoins, if any, that the permitted payment stablecoin issuer will redeem, provided that the issuer must redeem any number greater than or equal to one payment stablecoin, subject to appropriate customer screening and onboarding.

(c) *Redemption policy requirements.* A permitted payment stablecoin issuer's redemption policy must provide clear and conspicuous procedures for timely redemption of outstanding payment stablecoins that state:

(1) That timely redemption may not exceed two business days following the date of the requested redemption; and

(2) That any discretionary limitations on timely redemptions can only be imposed by the OCC or, in the case of a State qualified payment stablecoin issuer, by the OCC, the Federal Reserve, or the State payment stablecoin regulator, as applicable.

(d) *Timeliness extended in certain scenarios.* (1) A permitted payment stablecoin issuer must provide notice to the OCC through its supervisory office within 24 hours if it receives redemption requests in excess of 10 percent of the outstanding issuance value of any brand of payment stablecoin issued by the permitted payment stablecoin issuer in a single 24-hour period.

(2) A permitted payment stablecoin issuer that experiences redemption requests in excess of 10 percent of the outstanding issuance value of any brand of payment stablecoin issued by the permitted payment stablecoin issuer in a single 24-hour period may request that the OCC extend the timeframe for timely redemption.

(3) The OCC may, in its discretion, grant or deny an extension request under paragraph (d)(2) of this section or impose discretionary limitations upon timely redemption in accordance with section 4(a)(1)(B)(i) of the GENIUS Act (12 U.S.C. 5903(a)(1)(B)(i)).

(e) *Disclosures and fees associated with purchase and redemption.* A permitted payment stablecoin issuer must:

(1) Publicly, clearly, and conspicuously disclose in plain language and in a format that is readily noticeable to payment stablecoin holders, readily understandable by payment stablecoin holders, and segregated from other information:

(i) The name of the permitted payment stablecoin issuer that issues the payment stablecoin;

(ii) That the permitted payment stablecoin issuer is the entity that is obligated to convert, redeem, or repurchase the payment stablecoin for a fixed amount of monetary value;

(iii) The website that contains a link to the monthly composition report of the relevant permitted payment stablecoin issuer's reserves required under § 15.11(e);

(iv) All fees associated with purchasing or redeeming payment stablecoins;

(v) That the payment stablecoin is not legal tender, issued by the United States, or guaranteed or approved by the United States; and

(vi) That payment stablecoins are not deposits, not backed by the full faith and credit of the United States, not subject to deposit insurance by the FDIC, and not subject to share insurance by the National Credit Union Administration.

(2) Update the disclosures in paragraph (e)(1)(iv) of this section if there are any changes in fees associated with purchasing or redeeming payment stablecoins and provide payment stablecoin holders at least seven calendar days' prior notice of the change, including by delivering the notice to customers with whom the permitted payment stablecoin issuer has a current relationship;

(3) Publish the disclosures in paragraph (e)(1) of this section and any updates made in accordance with paragraph (e)(2) of this section on the permitted payment stablecoin issuer's website; and

(4) Include the disclosures in paragraph (e)(1) of this section and any updates made in accordance with paragraph (e)(2) of this section in any customer agreements.

(f) *Conflict with other applicable law.* The OCC will not require a permitted payment stablecoin issuer to redeem a payment stablecoin to the extent the permitted payment stablecoin issuer's actions to redeem the payment stablecoin would cause the issuer to violate other applicable law.

§ 15.13 Risk management.

(a) *General operational and managerial standards*—(1) *Internal controls and information systems.* A permitted payment stablecoin issuer must have internal controls and information systems to support effective risk management that are appropriate for the size and complexity of the permitted payment stablecoin issuer and the nature, scope, and risk of its activities and that provide for:

(i) An organizational structure that establishes clear lines of authority and responsibility for monitoring adherence to established policies, including appropriate segregation of duties and dual controls;

(ii) Effective risk assessment;

(iii) Timely and accurate financial, operational, and regulatory reporting, including with respect to the reports required under this part;

(iv) Adequate procedures to monitor, safeguard, manage, control, and monetize assets, including reserve assets; and

(v) Compliance with applicable laws and regulations.

(2) *Internal audit system.* A permitted payment stablecoin issuer must have an internal audit system that is appropriate to the size and complexity of the permitted payment stablecoin issuer and the nature, scope, and risk of its activities and that provides for:

(i) Adequate monitoring of the system of internal controls through an internal audit function, or, if the size, complexity, or scope of operations of

the permitted payment stablecoin issuer does not warrant a full-scale internal audit function, a system of independent reviews of key internal controls;

(ii) Independence and objectivity;

(iii) Qualified persons responsible for the audit function;

(iv) Adequate independent testing and review of internal controls and information systems, verification of published information available to customers, calculations for required reserves, and regulatory filings;

(v) Adequate documentation of tests and findings and any corrective actions;

(vi) Verification and review of management actions to address deficiencies; and

(vii) Review by the permitted payment stablecoin issuer's audit committee or board of directors of the effectiveness of the internal audit systems.

(3) *Interest rate exposure.* A permitted payment stablecoin issuer must:

(i) Manage interest rate risk in a manner that is appropriate to the size and complexity of the permitted payment stablecoin issuer and the complexity of its assets and liabilities; and

(ii) Provide for periodic reporting to management and the board of directors regarding interest rate risk with information sufficient for management and the board of directors to assess, to an extent commensurate with their duties, the level of risk.

(4) *Asset growth.* The growth of a permitted payment stablecoin issuer must be prudent and commensurate with a permitted payment stablecoin issuer's risk management capabilities, operational capacity, and staffing.

(5) *Earnings.* A permitted payment stablecoin issuer must establish and maintain a system that is commensurate with the permitted payment stablecoin issuer's size and complexity and the nature and scope of its operations to evaluate and monitor earnings and ensure that earnings are sufficient to support operations and maintain the capital levels required by subpart E of this part.

(6) *Insider and affiliate transactions.* (i) A permitted payment stablecoin issuer must ensure that transactions between the permitted payment stablecoin issuer and insiders or affiliates, alone or in the aggregate:

(A) Are not quantitatively detrimental to the permitted payment stablecoin issuer in light of the business model of the permitted payment stablecoin issuer;

(B) Do not pose significant risks of material financial loss;

(C)(*1*) Are conducted on terms that are the same or at least as favorable to the permitted payment stablecoin issuer as those prevailing at the time for comparable transactions with, or involving, non-insiders and non-affiliates; or

(*2*) In the absence of comparable transactions, are offered on terms and under circumstances that, in good faith, would be offered to, or would apply to, non-affiliates or non-insiders; and

(D) Are appropriately documented and reviewed by the board of directors.

(ii) A permitted payment stablecoin issuer must appropriately monitor and validate compliance with the requirements of paragraph (a)(6)(i) of this section.

(7) *Oversee service provider arrangements.* A permitted payment stablecoin issuer must:

(i) Exercise appropriate due diligence in selecting its service providers;

(ii) Require by contract its service providers to implement appropriate measures designed to meet the applicable requirements of this part and the GENIUS Act (12 U.S.C. 5901 *et seq.*); and

(iii) As appropriate, monitor its service providers to confirm they have satisfied their obligations under this section. As part of this monitoring, a permitted payment stablecoin issuer must review audits, summaries of test results, or other equivalent evaluations of its service providers.

(8) *Liquidity, diversification, and concentration.* A permitted payment stablecoin issuer must:

(i) Appropriately monitor and validate compliance with the requirements of § 15.11; and

(ii) Manage liquidity and concentration risk in a manner that is appropriate to the business model and risk profile of the permitted payment stablecoin issuer.

(9) *Monetization and stress testing.* A permitted payment stablecoin issuer must:

(i) Ensure that the reserve asset portfolio, taken as a whole, is capable of supporting timely redemption under both normal and stressed conditions, including by conducting analyses that consider a range of redemption scenarios;

(ii) Maintain and demonstrate to the OCC the ability to reliably access and monetize reserve assets necessary to meet redemption requests in normal and stressed conditions, taking into account:

(A) Market access;

(B) Financing channels;

(C) Haircut assumptions; and

(D) Operational readiness; and

(iii) Engage in regular stress testing of the reserve asset portfolio in order to confirm that the portfolio of reserve assets will continue to equal or exceed outstanding issuance value in stressed conditions, including in significant positive interest rate scenarios.

(10) *Foreign exchange risk.* (i) A permitted payment stablecoin issuer that issues a payment stablecoin denominated in monetary value other than the United States dollar must hedge any residual foreign exchange risk identified pursuant to the monetization and stress testing requirements of paragraph (a)(9) of this section in accordance with this paragraph (10).

(ii) A permitted payment stablecoin issuer:

(A) May not take anticipatory positions or maintain residual positions in the instruments used to hedge the permitted payment stablecoin issuer's foreign exchange risk, except as necessary for the orderly establishment or unwinding of a hedging position;

(B) Must hedge to retain no more than minimal foreign exchange risk;

(C) Must not use foreign exchange risk management as a means to speculate, including with respect to the appreciation or depreciation of any national currency; and

(D) Must have in place policies and procedures that appropriately manage its foreign exchange risk and any attendant risks, including risks related to the posting or collection of margin, foreign exchange counterparties, and basis risk. The policies and procedures must include adherence to paragraph (a)(10)(iii) and (iv) of this section.

(iii) Before engaging in foreign exchange risk management, the permitted payment stablecoin issuer must provide prior notice to the permitted payment stablecoin issuer's supervisory office and receive the OCC's approval.

(iv) The permitted payment stablecoin issuer must adhere to any limit or other condition to the OCC's approval in paragraph (a)(10)(iii) of this section.

(b) *Information technology and security*—(1) *Information technology and security program.* A permitted payment stablecoin issuer must implement a comprehensive written information security risk and control framework, including a program that assesses and manages information technology and information security risks.

(2) *Board of directors approval.* The board of directors or an appropriate board committee must approve the information technology and security program described in paragraph (b)(1) of this section and oversee the development, implementation, and

maintenance of the program, including the appointment of a qualified individual responsible for the program. Such oversight includes assigning specific responsibility for program implementation and review of program-related reports.

(3) *Required elements of program.* A permitted payment stablecoin issuer's information technology and security program must include:

(i) An inventory and classification of assets, processes, and sensitivity of data;

(ii) Controls supporting and safeguarding sensitive information and processes;

(iii) Evaluation, validation, and reporting processes to ensure that key information technology systems and controls, including smart contracts, are operating as intended;

(iv) Periodic independent testing; and

(v) A comprehensive and effective incident identification and assessment process and incident response program.

(4) *Security of customer information.* A permitted payment stablecoin issuer's information technology and security program must include administrative, technical, and physical safeguards designed to:

(i) Ensure the security and confidentiality of records containing nonpublic personal information about a customer or sensitive customer information;

(ii) Protect against any anticipated threats or hazards to the security or integrity of such records;

(iii) Protect against unauthorized access to or use of such records that could result in substantial harm or inconvenience to any customer; and

(iv) Ensure the proper disposal of such records.

(5) *Safe handling of digital assets.* A permitted payment stablecoin issuer must develop, implement, and maintain appropriate measures to ensure secure handling of digital assets, including private key management, backup, and recovery, incorporating:

(i) Relevant technical, operational, strategic, market, legal, and compliance considerations relating to each digital asset and its underlying ledger; and

(ii) Material developments specifically related to supported digital assets and their underlying ledgers.

(6) *Monitor and adjust the program.* (i) A permitted payment stablecoin issuer must monitor relevant changes in technology, the sensitivity of its customer information, internal or external threats, and the permitted payment stablecoin issuer's own changing business arrangements, such as mergers and acquisitions, alliances, joint ventures, third-party arrangements, and changes to applicable information systems.

(ii) A permitted payment stablecoin issuer must evaluate and adjust its information technology and security program, as appropriate, based on the monitoring required by paragraph (b)(6)(i) of this section.

(7) *Notification of unauthorized access*—(i) *Notification to customers.* (A) When a permitted payment stablecoin issuer becomes aware of an incident of unauthorized access to sensitive customer information, including a customer's private key, the permitted payment stablecoin issuer must conduct a reasonable investigation to promptly determine the likelihood that the information has been or will be misused.

(B) If the permitted payment stablecoin issuer determines that misuse of its information about a customer has occurred or is reasonably possible to occur, it must notify the affected or possibly affected customer and the OCC as soon as possible. Customer notice must be delayed if an appropriate law enforcement agency determines that notification will interfere with a criminal investigation and the law enforcement agency provides the permitted payment stablecoin issuer with a written request for the delay.

(C) The permitted payment stablecoin issuer must notify its customers of the misuse or possible misuse of customer information as soon as the law enforcement agency notifies the permitted payment stablecoin issuer that notification will no longer interfere with the investigation.

(ii) *Notification to group of customers.* If a permitted payment stablecoin issuer determines that the files of a group of customers have been accessed improperly but is unable to identify which specific customers' information has been accessed and if the circumstances of the unauthorized access lead the permitted payment stablecoin issuer to determine that misuse of the information is reasonably possible, it must notify all customers in the group.

(8) *Information technology resilience.* A permitted payment stablecoin issuer's information technology and security program must include measures to ensure continuity of operations and recovery of critical functions, including by conducting business impact analyses, testing for vulnerabilities, and testing with critical service providers.

§ 15.14 Audits, reports, and supervision.

(a) *General.* The OCC will conduct a full-scope examination of every permitted payment stablecoin issuer subject to its supervision at least once during each 12-month period, unless otherwise specified in paragraph (d) of this section.

(b) *Access to books and records.* Upon request by the OCC, permitted payment stablecoin issuers must grant the OCC prompt and complete access to all officers, directors, employees, agents, and relevant books, records, or documents of any type.

(c) *Location of examinations.* The OCC may conduct examinations of every permitted payment stablecoin issuer subject to its supervision, as specified in paragraph (a) of this section, either on-site or remotely.

(d) *Extended examination cycle for certain issuers.* Notwithstanding paragraph (a) of this section, the OCC may conduct a full-scope examination of a permitted payment stablecoin issuer subject to its supervision at least once during each 18- to 24-month period, as determined by the OCC in its sole discretion, if the following conditions are satisfied:

(1) The permitted payment stablecoin issuer currently is not subject to a formal enforcement proceeding or order;

(2) No person acquired control, as specified in paragraph (m) of this section, of the permitted payment stablecoin issuer during the preceding 12-month period in which a full-scope examination would have been required but for this paragraph (d);

(3) The permitted payment stablecoin issuer has an outstanding issuance value, together with any affiliated permitted payment stablecoin issuers, of less than $1 billion; and

(4) The permitted payment stablecoin issuer is in compliance with all of the reserve requirements set forth in § 15.11 and the reporting requirements of this section.

(e) *Authority to conduct more frequent examinations.* This section does not limit the authority of the OCC to examine any permitted payment stablecoin issuer as frequently as the OCC deems necessary, including examinations of a limited scope.

(f) *Recordkeeping requirements.* All permitted payment stablecoin issuers must maintain a complete set of books and records in English.

(g) *Records retention policy.* All permitted payment stablecoin issuers must develop and implement a records retention policy that ensures the permitted payment stablecoin issuer can demonstrate compliance with the GENIUS Act, this part, and all applicable laws and regulations.

(h) *Confidential weekly reporting.* All permitted payment stablecoin issuers must submit to the OCC, on a weekly

basis, in the manner and form specified by the OCC, a confidential report containing the information requested in the form available at *www.occ.gov.*

(i) *Reports of financial condition.* (1) All permitted payment stablecoin issuers must submit to the OCC a quarterly report on the financial condition of the permitted payment stablecoin issuer, including, but not limited to, income statement, expenses, balance sheet, reserves, changes in equity, investments, capital, outstanding issuance value, and assets under custody, in a standardized format as prescribed by the OCC and within 30 days of the end of the prior quarter. Forms and instructions are available at *www.occ.gov.*

(2) Each report of financial condition under paragraph (i)(1) of this section must contain a declaration by the permitted payment stablecoin issuer's Chief Financial Officer, or the individual performing an equivalent function, that the report is true and correct to the best of their knowledge and belief.

(3) The correctness of the report of financial condition under paragraph (i)(1) of this section must be attested to by the signatures of the directors and senior management of the permitted payment stablecoin issuer other than the officer, or the individual performing an equivalent function, making such declaration, with the attestation stating that the report has been examined by them and, to the best of their knowledge and belief, is true and correct.

(j) *Submission of other reports.* All permitted payment stablecoin issuers must, upon request, submit to the OCC a report on:

(1) The financial condition of the permitted payment stablecoin issuer;

(2) The systems of the permitted payment stablecoin issuer for monitoring and controlling financial and operational risks;

(3) Compliance of the permitted payment stablecoin issuer and any subsidiary thereof with the GENIUS Act and this part; and

(4) In the case of a Federal qualified nonbank payment stablecoin issuer, compliance of the permitted payment stablecoin issuer with the requirements of the Bank Secrecy Act and with laws authorizing the imposition of sanctions and implemented by the Secretary of the Treasury.

(k) *Ongoing compliance reporting.* (1) Not later than 180 days after the approval of an application, as set forth in § 15.30, and on an annual basis thereafter, a permitted payment stablecoin issuer must submit to the OCC a certification that the permitted payment stablecoin issuer has implemented anti-money laundering and economic sanctions compliance programs that are reasonably designed to prevent the permitted payment stablecoin issuer from facilitating money laundering, in particular, facilitating money laundering for cartels and organizations designated as foreign terrorist organizations under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189) and the financing of terrorist activities, consistent with the requirements of the GENIUS Act.

(2) The initial certification must be provided by the permitted payment stablecoin issuer's board of directors. Subsequent certifications may be provided by the permitted payment stablecoin issuer's Bank Secrecy Act officer, the board of directors, or an appropriate committee of the board of directors.

(l) *Audits.* A permitted payment stablecoin issuer with more than $50 billion in total consolidated outstanding issuance value that is not subject to the reporting requirements under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)) must prepare in accordance with GAAP an annual financial statement and the statement must include the disclosure of any related party transactions, as defined by GAAP.

(1) A registered public accounting firm must perform an audit of the financial statements described in this paragraph (l). The audit must be conducted in accordance with all applicable rules and auditing standards established by the Public Company Accounting Oversight Board, including those relating to auditor independence, internal controls, and related party transactions.

(2) A permitted payment stablecoin issuer required to prepare an audited annual financial statement under this paragraph (l) must:

(i) Make the audited financial statements publicly available on the permitted payment stablecoin issuer's website; and

(ii) Submit the audited financial statements annually, within 120 days after the end of the permitted payment stablecoin issuer's fiscal year, to the OCC.

(3) If a permitted payment stablecoin issuer is unable to timely file all or any portion of the financial statement described in paragraph (l)(2)(ii) of this section, it must submit a written notice of late filing to the OCC. The notice must:

(i) Disclose the permitted payment stablecoin issuer's inability to timely file all, or specified portions, of its annual financial statement and the reasons therefore in reasonable detail;

(ii) Include the date by which the financial statement will be filed; and

(iii) Be filed on or before the deadline for filing the financial statement.

(m) *Changes in control.* (1) A person seeking to acquire control, as the terms ''acquire'' and ''control'' are used in 12 CFR 5.50, of a permitted payment stablecoin issuer must follow the requirements of 12 CFR 5.50 as if the permitted payment stablecoin issuer were a national bank.

(2) Paragraph (m)(1) of this section does not apply to a transaction subject to the notice or application provisions under 12 CFR part 5 or § 15.30.

(n) *Use of existing reports.* In supervising and examining a permitted payment stablecoin issuer, the OCC will, to the fullest extent possible, use existing reports and other supervisory information.

(o) *Avoidance of duplication.* The OCC will, to the fullest extent possible, avoid duplication of examination activities, reporting requirements, and requests for information.

§ 15.15 State qualified payment stablecoin issuers.

(a) *Scope.* (1) This section addresses requirements related to a State qualified payment stablecoin issuer that is a nonbank entity transitioning to the OCC's regulatory framework pursuant to section 4 of the GENIUS Act (12 U.S.C. 5903).

(2) For purposes of this section, State qualified payment stablecoin issuer refers only to a State qualified payment stablecoin issuer that is a nonbank entity.

(b) *Transition to Federal regulatory framework*—(1) *Transition requirements.* A State qualified payment stablecoin issuer with a total consolidated outstanding issuance value of more than $10 billion must:

(i) Not later than 360 days after reaching such threshold, transition to the Federal regulatory framework under this part and comply with the provisions of this part applicable to Federal qualified payment stablecoin issuers; or

(ii) Beginning on the date the State qualified payment stablecoin issuer reaches such threshold, cease issuing, on a net basis, new payment stablecoins until the issuer is under the $10 billion total consolidated outstanding issuance value threshold.

(2) *Initial notice requirement.* (i) A State qualified payment stablecoin issuer with a total consolidated outstanding issuance value of more than $10 billion must provide written

notification to the OCC within five calendar days after reaching such threshold.

(ii) The written notification must include the following information:

(A) The State or States that currently regulate the State qualified payment stablecoin issuer;

(B) The State qualified payment stablecoin issuer's outstanding issuance value as of the date of the notice;

(C) The date that the State qualified payment stablecoin issuer first reached the $10 billion total consolidated outstanding issuance value threshold; and

(D) An indication of whether and when the State qualified payment stablecoin issuer ceased issuing, on a net basis, new payment stablecoins and whether the State qualified payment stablecoin issuer intends to seek a waiver pursuant to paragraph (d) of this section.

(3) *Capital.* (i) Within 270 days of reaching the $10 billion total consolidated outstanding issuance value threshold, a State qualified payment stablecoin issuer must submit an analysis of the issuer's current capital position and anticipated capital needs, sufficient to ensure ongoing operations, based on its business model and risk profile.

(ii) The OCC will review the submission required under paragraph (b)(3)(i) of this section and establish a minimum capital requirement pursuant to § 15.41(a)(1).

(iii) For purposes of complying with the transition requirements under paragraph (b)(1)(i) of this section, the issuer must hold minimum capital as specified under § 15.41(a)(1)(ii) prior to the issuer's transition date.

(iv) A State qualified payment stablecoin issuer is not required to submit a capital analysis under this paragraph (b)(3) if the issuer:

(A) Has received a waiver pursuant to paragraph (d) of this section; or

(B) Is not required to transition to the Federal regulatory framework pursuant to paragraph (b)(1)(i) of this section.

(4) *Compliance notice requirement and transition date.* (i) For purposes of complying with paragraph (b)(1)(i) of this section, a State qualified payment stablecoin issuer must provide written notification to the OCC that it is in compliance with the Federal regulatory framework under this part or, if the State qualified payment stablecoin issuer is not in compliance with the Federal regulatory framework under this part, must provide written notice identifying the provisions with which the issuer does not comply, providing the issuer's plan for remediating its noncompliance, and explaining why the issuer did not comply with the Federal regulatory framework within the 360-day transition period.

(ii) A State qualified payment stablecoin issuer that does not cease issuing new payment stablecoins in accordance with paragraph (b)(1)(ii) of this section must transition to the regulatory framework under this part on the earlier of 360 days after reaching the $10 billion total consolidated outstanding issuance value threshold or the date on which the State qualified payment stablecoin issuer provides written notification under paragraph (b)(4)(i) of this section.

(c) *Initial examination.* A State qualified payment stablecoin issuer that transitions to the regulatory framework under this part must undergo an initial OCC examination at the OCC's request or no later than six months after the date on which the State qualified payment stablecoin issuer provides written notification under paragraph (b)(4)(i) of this section.

(d) *Waiver from Federal supervision*—(1) *Waiver request.* (i) A State qualified payment stablecoin issuer seeking to remain solely supervised by a State payment stablecoin regulator must submit to the OCC a written waiver request containing information necessary to evaluate such request under paragraphs (d)(2) and (3) of this section.

(ii) A State qualified payment stablecoin issuer seeking to remain solely supervised by a State payment stablecoin regulator must submit a waiver request within 240 days of reaching the $10 billion total consolidated outstanding issuance value threshold.

(2) *Waiver criteria.* The OCC will consider the following exclusive criteria when deciding whether to grant a waiver:

(i) The capital maintained by the State qualified payment stablecoin issuer;

(ii) The past operations and examination history of the State qualified payment stablecoin issuer;

(iii) The experience of the State payment stablecoin regulator in supervising payment stablecoin and digital asset activities; and

(iv) The supervisory framework, including regulations and guidance, of the State payment stablecoin regulator with respect to payment stablecoins and digital assets.

(3) *Waiver presumption.* (i) Except as provided in paragraph (d)(3)(ii) of this section, the OCC will approve a waiver request under this section if the relevant State payment stablecoin regulator has:

(A) Established a prudential regulatory regime (including regulations and guidance) for the supervision of digital assets or payment stablecoins as of April 19, 2025, that has been certified pursuant to section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)); and

(B) Approved one or more issuers to issue payment stablecoins under the supervision of such State payment stablecoin regulator.

(ii) Paragraph (d)(3)(i) of this section does not apply to a waiver request if the OCC finds by clear and convincing evidence that the criteria in paragraph (d)(2) of this section are not substantially met or that the State qualified payment stablecoin issuer poses significant safety and soundness risks to the financial system of the United States.

(e) *Return to State framework.* (1) A State qualified payment stablecoin issuer that has transitioned to the OCC's Federal regulatory framework pursuant to this section is not generally required to comply with this part and will cease to be supervised by the OCC upon the OCC's determination that the State qualified payment stablecoin issuer no longer exceeds $10 billion in total consolidated outstanding issuance value.

(2) The OCC may make the determination in paragraph (e)(1) of this section upon request by the State qualified payment stablecoin issuer, supplemented by any information reasonably required by the OCC or without such a request.

§ 15.16 Unusual and exigent circumstances.

(a) *Scope.* This section addresses the OCC's authority to impose restrictions on a State qualified payment stablecoin issuer that is a nonbank entity during unusual and exigent circumstances, pursuant to section 7 of the GENIUS Act (12 U.S.C. 5906).

(b) *Unusual and exigent circumstances.* If the OCC determines that unusual and exigent circumstances exist, based on information available to the OCC, and that there is reasonable cause to believe that the continuation of any activity, including failure to act, by a State qualified payment stablecoin issuer that is a nonbank entity constitutes a serious risk to the financial safety, soundness, or stability of the nonbank entity, the OCC will impose such restrictions as the OCC determines to be necessary to address such risk during unusual and exigent circumstances in the form of a directive with the effect of a cease-and-desist order that has become final. Such

restrictions may include, but are not limited to, limitations on:

(1) Redemptions of payment stablecoins;

(2) Transactions between the State qualified payment stablecoin issuer, a holding company, and the subsidiaries or affiliates of either the State qualified payment stablecoin issuer or the holding company; and

(3) Any activities of the State qualified payment stablecoin issuer that might create a serious risk that the liabilities of a holding company and the affiliates of the holding company may be imposed on the State qualified payment stablecoin issuer.

(c) *OCC considerations for unusual and exigent circumstances.* When determining whether unusual and exigent circumstances exist under this section, the OCC will consider:

(1) Whether the State qualified payment stablecoin issuer is, or is expected to imminently be, engaging in an activity (including any act, practice, or omission) that poses an immediate risk to the financial safety, soundness, or stability of the issuer or the financial system of the United States;

(2) The actions of the relevant State payment stablecoin regulator to promptly address the risk to the issuer or the financial system of the United States;

(3) Risks presented to payment stablecoin holders;

(4) Any request from the State qualified payment stablecoin issuer or State payment stablecoin regulator for the OCC to exercise its authority under section 7(e)(2) of the GENIUS Act (12 U.S.C. 5906(e)(2));

(5) Significant fluctuations in the secondary market price of payment stablecoins issued by the State qualified payment stablecoin issuer;

(6) Whether the State qualified payment stablecoin issuer has been, or will imminently be, unable to timely redeem payment stablecoins issued by the State qualified payment stablecoin issuer;

(7) Whether the State qualified payment stablecoin issuer has incurred significant unanticipated losses; and

(8) Any other factor the OCC deems appropriate in light of the particular circumstances and consistent with the purposes of the GENIUS Act.

(d) *Administrative review.* The administrative review procedures described in section 7(e)(2)(D) of the GENIUS Act (12 U.S.C. 5906(e)(2)(D)) are applicable to a State qualified payment stablecoin issuer or any institution-affiliated party, as defined in section 2(13) of the GENIUS Act (12 U.S.C. 5901(13)), subject to a directive issued under paragraph (b) of this section.

Subpart C—Custody

§ 15.20 Definitions.

For the purposes of this subpart, the following definitions apply:

Applicable law means the law of a State or other jurisdiction governing a covered custodian's custody relationships, any applicable Federal law governing those relationships, the terms of the custody agreement, and any applicable court order.

Covered assets means, with respect to payment stablecoins that are offered, sold, or otherwise made available to persons in the United States, payment stablecoin reserves, payment stablecoins used as collateral, where a covered custodian has actual knowledge that such payment stablecoins are being used as collateral, and private keys used to issue payment stablecoins, as well as cash and other property received in the course of the provision of custodial or safekeeping services for such assets.

Covered custodian means a national bank, Federal savings association, Federal branch, or permitted payment stablecoin issuer to the extent of such person's provision of custodial or safekeeping services for covered assets.

Covered customer means a person for or on whose behalf a covered custodian receives, acquires, or holds covered assets.

Custody agreement means a legally binding contractual agreement between a covered customer, as the principal, and the covered custodian, as the agent, that establishes the covered custodian's duties and responsibilities in providing safekeeping and ancillary services to the covered customer.

Digital wallet means a software program or hardware device that stores and manages the private keys associated with a particular unit of a digital asset.

Sub-custodian means a person that provides custody and safekeeping services to a covered custodian, including through a digital wallet for which the person controls the associated private keys, with respect to covered assets of a covered customer for which the covered custodian otherwise serves as a custodian under this subpart.

§ 15.21 Covered asset custodial property requirements.

(a) *Separate accounting, treatment, and dealing.* A covered custodian must separately record and account for the covered assets of a covered customer and must treat and deal with those covered assets as belonging to such covered customer and not as the property of the covered custodian.

(b) *Protection, possession, and control.* (1) A covered custodian must take appropriate steps to protect the covered assets of covered customers from the claims of creditors of the covered custodian and any sub-custodian, as applicable, including through adopting, implementing, and maintaining written custody agreements and policies, procedures, and internal controls that are adequate to comply with applicable law and that are commensurate with the covered custodian's size, complexity, and risk profile and with the nature of the applicable covered assets for which it provides custodial or safekeeping services.

(2)(i) A covered custodian must maintain possession or control of the covered assets of a covered customer that are held directly, including in a digital wallet for which the covered custodian controls the associated private keys; however, a covered custodian may maintain the covered assets of a covered customer through the use of a sub-custodian if consistent with applicable law, provided that the covered custodian maintains adequate safeguards and internal controls reasonably designed to provide the covered custodian with oversight of the sub-custodian's compliance with the requirements of this subpart.

(ii) With regard to any payment stablecoin, payment stablecoin reserve in the form of a tokenized asset, or private key used to issue a payment stablecoin held in safekeeping under this subpart, a covered custodian, or sub-custodian, as applicable, maintains control for purposes of this subpart if it can reasonably demonstrate, consistent with the standard of care established by applicable law, that no other party, including the covered customer, can transfer the payment stablecoin or tokenized asset without the consent of the custodian or sub-custodian, as applicable.

(c) *Withdrawals and application of covered assets.* Consistent with applicable law, a covered custodian may withdraw and apply such share of the covered assets of a covered customer necessary to transfer, adjust, or settle a transaction or transfer of assets applicable to the covered customer, including the payment of commissions, taxes, storage, and other charges lawfully accruing in connection with the provision of services to the covered customer by the covered custodian.

(d) *Holdings of cash.* Notwithstanding any other provision of this section, a covered custodian that provides custodial or safekeeping services, including as a sub-custodian, for

covered assets that are in the form of cash may hold such cash in the form of a deposit liability, provided such treatment is consistent with Federal law.

§ 15.22 Use of omnibus accounts.

(a) *Segregation of covered assets.* A covered custodian must segregate all covered assets of covered customers from, and not commingle them with, the assets of the covered custodian, except as permitted under §§ 15.21(d) and 15.22(c).

(b) *Commingling covered assets.* A covered custodian may, for convenience, commingle the covered assets of multiple covered customers in one or more omnibus accounts to the extent that the steps it has taken pursuant to § 15.21(b), including appropriate recordkeeping, are adequate to maintain safe and sound practices for the use and terms of any omnibus account, and to the extent that the use of omnibus accounts is consistent with applicable law, and is fully disclosed in the applicable custody agreement.

(c) *Use of sub-custodians.* Notwithstanding any other provision of this part to the contrary, this part does not prevent a covered custodian from custodying its own assets and the covered assets of a covered customer at a sub-custodian where the sub-custodian may, for convenience, commingle the covered custodian's assets with the covered assets of its covered customers in one or more omnibus accounts of the sub-custodian; provided that the covered custodian maintains adequate safeguards and internal controls reasonably designed to ensure that the sub-custodian segregates all covered assets of the covered custodian's covered customers from, and does not commingle such covered assets with, the assets of the sub-custodian.

§ 15.23 Self-custody hardware and software exclusion.

The requirements of this subpart do not apply to any national bank, Federal savings association, Federal branch, or permitted payment stablecoin issuer solely on the basis that such entity engages in the business of providing hardware or software to facilitate a person's self-custody of their covered assets; provided that the national bank, Federal savings association, Federal branch, or permitted payment stablecoin issuer neither controls nor holds itself out as controlling the relevant private keys associated with covered assets and does not provide or hold itself out as providing safekeeping and custodial services for such covered assets.

Subpart D—Applications and Registrations

§ 15.30 Approval of permitted payment stablecoin issuers.

(a) *Application requirement*—(1) *Insured national banks, Federal savings associations, and insured Federal branches.* Any insured national bank, Federal savings association, or insured Federal branch that seeks to issue payment stablecoins through a subsidiary must file an application under this section and receive prior approval from the OCC before the subsidiary may issue payment stablecoins.

(2) *Nonbank entities, uninsured national banks, and uninsured Federal branches.* Any nonbank entity, uninsured national bank, or uninsured Federal branch that seeks to issue payment stablecoins as a Federal qualified payment stablecoin issuer must file an application under this section and receive prior approval from the OCC before issuing payment stablecoins.

(b) *Application process*—(1) *Information required.*

(i) An applicant must submit all the information required by the form for an application under this section. Forms and instructions are available at *www.occ.gov.*

(ii) Each director, executive officer, and principal shareholder of the applicant (or in the case of an applicant that is an insured national bank, Federal savings association, or insured Federal branch, of the subsidiary of the applicant) must submit the information prescribed in the Interagency Biographical and Financial Report and Corporate Background and Financial Report, as applicable, available at *www.occ.gov.*

(iii) An applicant must certify that any filing or supporting material submitted to the OCC contains no material misrepresentations or omissions.

(iv) An applicant must certify whether section 4(a)(12) of the GENIUS Act (12 U.S.C. 5903(a)(12)) applies to the applicant.

(2) *Where to file.* An applicant should address an application under this section to the appropriate OCC licensing office, unless the OCC advises an applicant otherwise. Relevant addresses are listed on *www.occ.gov.*

(3) *Substantially complete application.*

(i) An application is substantially complete if it contains sufficient information for the OCC to render a decision on whether the applicant satisfies the factors set forth in paragraph (d) of this section.

(ii)(A) The OCC will notify applicants not later than 30 days after receipt of an application whether the application is substantially complete.

(B) If the application is not substantially complete, the OCC will notify the applicant of the information required in order for the application to be substantially complete.

(iii) The OCC will notify applicants not later than 30 days after receipt of additional information described in paragraph (b)(3)(ii)(B) of this section whether the application is substantially complete.

(iv) An application is considered substantially complete as of the date the OCC receives the information required for the application to be substantially complete.

(v) If the OCC determines that an application is substantially complete, the application remains substantially complete unless there is a material change in circumstances that causes the OCC to treat the application as a new application.

(vi) The OCC will return without decision an application that remains not substantially complete 60 days after the OCC provides the notice described in paragraph (b)(3)(ii)(B) of this section.

(4) *Investigation.* (i) The OCC may review and verify any information filed in connection with an application. Any person responsible for any material misrepresentation or omission in a filing or supporting materials may be subject to enforcement action and other penalties, including criminal penalties provided in 18 U.S.C. 1001.

(ii) The OCC may examine or investigate and evaluate facts relating to an application under this section to the extent necessary to reach an informed decision.

(iii) The OCC may collect fingerprints of the individuals listed in paragraph (b)(1)(ii) of this section for submission to the Federal Bureau of Investigation for a national criminal history background check.

(5) *OCC review.* A substantially complete application under this section is deemed approved by the OCC as of the 120th day after the substantially complete application is received by the OCC, unless the OCC denies the substantially complete application under paragraph (e) of this section before the 120th day after the substantially complete application is received by the OCC.

(c) *General.* The OCC may approve, conditionally approve, or deny a substantially complete application under this section based on a review of

the factors specified under paragraph (d) of this section.

(d) *Review factors.* The OCC considers the following factors when evaluating a substantially complete application:

(1) The ability of the applicant (or in the case of an applicant that is an insured national bank, Federal savings association, or insured Federal branch, the subsidiary of the applicant), based on financial condition and resources, to meet the requirements for issuing payment stablecoins under subpart B of this part;

(2) Whether any officer or director of the applicant has been convicted of a felony offense involving insider trading, embezzlement, cybercrime, money laundering, financing of terrorism, or financial fraud;

(3) The competence, experience, and integrity of the officers, directors, and principal shareholders of the applicant, its subsidiaries, and parent companies, including:

(i) The record of those officers, directors, and principal shareholders of compliance with laws and regulations; and

(ii) The ability of those officers, directors, and principal shareholders to fulfill any commitments or conditions imposed by the OCC in connection with the application filed under this section or any prior application; and

(4) Whether the applicant's redemption policy meets the standards under § 15.12; and

(5) The ability of the applicant (or in the case of an applicant that is an insured national bank, Federal savings association, or insured Federal branch, the subsidiary of the applicant) to conduct its proposed activities in a safe and sound manner, including whether the applicant's proposed structure adequately addresses run risks and adequately ensures the ability to redeem payment stablecoins.

(e) *Denial.* (1) The OCC may deny a substantially complete application filed under this section if the OCC determines that the proposed activities would be unsafe or unsound based on the factors described in paragraph (d) of this section.

(2) Within 30 days after the OCC denies a substantially complete application, the OCC will provide the applicant with a written explanation of the denial, including all findings with respect to all identified material shortcomings and actionable recommendations to address the identified material shortcomings.

(3) The denial of a substantially complete application under this section does not prohibit the applicant from filing a subsequent application.

(f) *Appeal.* (1) An applicant may request a hearing to appeal the OCC's denial of a substantially complete application within 30 days of receipt of the OCC's notice of denial. The request for a hearing must be in writing. The applicant may request that the hearing be on the written record, oral testimony and oral argument, or both.

(2) If the applicant does not make a timely appeal for a hearing under this section, the OCC will notify the applicant, in writing and within 10 days of the last date the applicant would have been able to request a hearing, that the denial of the substantially complete application is the final determination of the OCC.

(3) Within 30 days of receiving a timely appeal request, the OCC will notify the applicant of a time and place at which the applicant may appear, personally or through counsel, to submit written materials, provide oral testimony and oral argument, or both. If filing a written appeal, the applicant must submit in writing all documents and arguments that the applicant wishes to be considered.

(4)(i) The Comptroller or authorized delegate considers all information submitted with the original substantially complete application, the material before the OCC official who made the initial denial decision, and any information submitted by the applicant at the time of appeal.

(ii) The Comptroller or authorized delegate considers all submitted documentation anew.

(iii) The Comptroller or authorized delegate may uphold or reverse the initial decision to deny the application.

(5)(i) Within 60 days of the hearing, the Comptroller or authorized delegate will notify the applicant in writing of a final determination.

(ii) The final determination will explain the findings on which the determination is based.

(iii) If the initial decision is upheld, the decision to deny the substantially complete application is effective as of the date of the original denial.

(6) The OCC will determine the procedures for a hearing under this paragraph (f), including, but not limited to, the duration of the hearing; the order and timing of presentations, if applicable; and the deadlines and requirements for submission of written material.

(g) *Safe harbor*—(1) *Insured national banks, Federal savings associations, and insured Federal branches.* An insured national bank, Federal savings association, or insured Federal branch that has a pending substantially complete application under this section for a subsidiary to become a permitted payment stablecoin issuer on or before January 18, 2027, may request, in writing, that the OCC waive the requirements of the GENIUS Act (12 U.S.C. 5901 *et seq.*) or this part with respect to that subsidiary.

(2) *Nonbank entities, uninsured national banks, and uninsured Federal branches.* A nonbank entity, uninsured national bank, or uninsured Federal branch that has a pending substantially complete application under this section to become a Federal qualified payment stablecoin issuer on or before January 18, 2027, may request, in writing, that the OCC waive the requirements of the GENIUS Act (12 U.S.C. 5901 *et seq.*) or this part with respect to that entity.

(3) *Grant of waiver.* The OCC may grant a waiver for a period not to exceed 12 months beginning on January 18, 2027. The OCC may grant the waiver if it finds that:

(i) The waiver would be in the public interest; or

(ii) Extraordinary circumstances justify the waiver.

(4) *Denial notwithstanding waiver.* Notwithstanding any waiver granted under paragraph (g)(3) of this section, the OCC may deny a substantially complete application under paragraph (e) of this section.

(h) *Nullifying a decision*—(1) *In general.* The OCC may nullify the approval of a substantially complete application under this section if:

(i) The OCC discovers a material misrepresentation or omission in any information provided to the OCC in the application or supporting materials;

(ii) The decision is contrary to law or regulation; or

(iii) The decision was granted due to clerical or administrative error, or a material mistake of law or fact.

(2) *Procedure.* When the OCC intends to nullify the approval of a substantially complete application, the OCC, in its sole discretion, will:

(i) Provide the applicant with notice of the intended nullification and grant the applicant an opportunity to present a written submission opposing the intended nullification; or

(ii) Take any other action designed to provide the applicant with notice and an opportunity to present its views concerning the intended nullification.

§ 15.31 Foreign payment stablecoin issuers.

(a) *In general.* A foreign payment stablecoin issuer is not subject to the prohibitions of section 3 of the GENIUS Act (12 U.S.C. 5902) if it meets all of the requirements in this paragraph (a):

(1) The foreign payment stablecoin issuer is subject to regulation and

supervision by a foreign payment stablecoin regulator that has a regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins, as determined by the Secretary of the Treasury under section 18(b) of the GENIUS Act (12 U.S.C. 5916(b));

(2) The foreign payment stablecoin issuer is registered with the OCC pursuant to § 15.32;

(3)(i) The foreign payment stablecoin issuer holds reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State that are sufficient to meet the liquidity demands of United States customers, unless otherwise permitted under a reciprocal arrangement created and implemented by the Secretary of the Treasury under section 18(d) of the GENIUS Act (12 U.S.C. 5916(d)).

(ii) Reserves are sufficient to meet the liquidity demands of United States customers only if the foreign payment stablecoin issuer:

(A)(*1*) Attests that fewer than 50 percent of the foreign payment stablecoin issuer's outstanding issuance value is held by payment stablecoin holders located in the United States; and

(*2*) Holds reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State, the value of which equals or exceeds 50 percent of the foreign payment stablecoin issuer's outstanding issuance value;

(B)(*1*) Attests that it holds substantially all of its reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State; and

(*2*) Holds substantially all of its reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State;

(C) Ensures, on an ongoing basis, that the value and composition of reserves held in eligible financial institutions incorporated or organized under the laws of the United States or any State will be capable of supporting timely redemption requests from United States customers under both normal conditions and adverse economic, liquidity, market, and interest rate conditions, including, to the extent necessary, maintaining a buffer of reserves; or

(D)(*1*) Submits for the OCC's prior approval a detailed proposal to meet the requirements of paragraph (a)(3)(i) of this section;

(*2*) Responds to all OCC requests for additional information regarding the proposal;

(*3*) Receives the OCC's written approval of the proposal; and

(*4*) Complies, on an ongoing basis, with the proposal approved by the OCC, including any conditions and limitations imposed on such approval by the OCC.

(iii) The foreign payment stablecoin issuer must only withdraw reserves in excess of the amount required by paragraph (a)(3)(i) of this section after appropriate due diligence and confirmation that the withdrawal would not cause the reserves held in eligible financial institutions incorporated or organized under the laws of the United States or any State to fall below the amount required under paragraph (a)(3)(i) of this section, calculated as of the time and date of withdrawal; and

(4) The foreign country in which the foreign payment stablecoin issuer is domiciled and regulated is not subject to comprehensive economic sanctions by the United States or in a jurisdiction that the Secretary of the Treasury has determined to be a jurisdiction of primary money laundering concern.

(b) *Reporting, supervision, and examination*—(1) *In general.* A foreign payment stablecoin issuer registered with the OCC pursuant to § 15.32 is subject to reporting, supervision, and examination requirements as determined by the OCC.

(2) *Reporting.* (i) A foreign payment stablecoin issuer registered with the OCC pursuant to § 15.32 must produce the reports required of a permitted payment stablecoin issuer under § 15.14 as well as any other reports the OCC may require.

(ii) A foreign payment stablecoin issuer may request, in writing, an exemption from any reporting requirement that would otherwise apply under § 15.14. The OCC may grant an exemption in its sole discretion.

(3) *Examinations.* (i) The OCC will conduct a full-scope examination of a foreign payment stablecoin issuer registered with the OCC under § 15.32 at the same frequency as the OCC would examine a permitted payment stablecoin issuer under § 15.14 unless the OCC determines, in its sole discretion, to examine at a different frequency.

(ii) The OCC may conduct examinations as specified in paragraph (b)(3)(i) of this section, either on-site or remotely.

(c) *Prohibition on interest.* A foreign payment stablecoin issuer registered with the OCC pursuant to § 15.32 may not pay a payment stablecoin holder any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of such payment stablecoin.

(d) *Public availability.* The OCC makes publicly available on *www.occ.gov* a list of foreign payment stablecoin issuers whose registrations the OCC has approved.

§ 15.32 Registration of foreign payment stablecoin issuers.

(a) *Application required.* A foreign payment stablecoin issuer that seeks to be registered with the OCC under section 18(c) of the GENIUS Act (12 U.S.C. 5916(c)) must file an application under this section.

(b) *Application process*—(1) *Information required.* As part of an application under this section, an applicant must provide the following information:

(i) All the information required by the form for an application under this section. Forms and instructions are available at *www.occ.gov;*

(ii) Evidence that the Secretary of the Treasury has determined that the applicant is subject to a regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins, under section 18 of the GENIUS Act (12 U.S.C. 5916);

(iii) A certification that the applicant will make available to the OCC all information that the OCC deems necessary to determine and enforce compliance with the GENIUS Act and this part;

(iv) The applicant's consent to United States jurisdiction relating to enforcement of the GENIUS Act and this part;

(v) A certification that any filing or supporting material submitted to the OCC contains no material misrepresentations or omissions; and

(vi) A certification as to whether section 4(a)(12) of the GENIUS Act (12 U.S.C. 5903(a)(12)) applies to the applicant.

(2) *Where to file.* An applicant should address an application under this section to the appropriate OCC licensing office, unless the OCC advises an applicant otherwise. Relevant addresses are listed on *www.occ.gov.*

(3) *Investigation.* (i) The OCC may review and verify any information filed in connection with an application. Any person responsible for any material misrepresentation or omission in a filing or supporting materials may be subject to enforcement action and other penalties, including criminal penalties provided in 18 U.S.C. 1001.

(ii) The OCC may examine or investigate and evaluate facts relating to

an application under this section to the extent necessary to reach an informed decision.

(4) *Registration approval.* An application for registration made by a foreign payment stablecoin issuer that satisfies the requirements in paragraph (b)(1) of this section is deemed approved by the OCC as of the 30th day after the OCC received the filing, unless the OCC notifies the filer in writing that the application for registration has been rejected.

(c) *General.* The OCC may approve, conditionally approve, or reject an application under this section based on a review of the factors specified under paragraph (d) of this section.

(d) *Review factors.* The OCC considers the following factors when evaluating an application under this section:

(1) The Secretary of the Treasury's determination that the foreign payment stablecoin issuer is subject to a regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins under section 18 of the GENIUS Act (12 U.S.C. 5916);

(2) The financial and managerial resources of the United States operations of the foreign payment stablecoin issuer;

(3) Whether the foreign payment stablecoin issuer will provide adequate information to the OCC to determine compliance with the GENIUS Act and this part;

(4) Whether the foreign payment stablecoin issuer presents a risk to the financial stability of the United States, including risks relating to ensuring timely redemption for United States customers;

(5) Whether the foreign payment stablecoin issuer presents illicit finance risks to the United States; and

(6) The ability of the applicant to conduct its proposed activities in a safe and sound manner, including whether the applicant's proposed structure adequately addresses run risks and adequately ensures the ability to redeem payment stablecoins.

(e) *Conditions of approval.* Any approval of registration under this section is subject to the following conditions:

(1) Upon request by the OCC, a foreign payment stablecoin issuer must grant the OCC prompt and complete access to all officers, directors, employees, and agents and to all relevant books, records, or documents of any type, in a form and location accessible to the OCC in the United States.

(2) The foreign payment stablecoin issuer will make all information described in paragraph (e)(1) of this section available to the OCC in English.

(3)(i) The foreign payment stablecoin issuer provides evidence that it complies with § 15.31(a) of this part, including by providing to the OCC, by noon on the last day of each month, a report describing the total number of outstanding payment stablecoins issued by the foreign payment stablecoin issuer held by United States customers and the amount and composition of the foreign payment stablecoin issuer's reserves, including their geographic location and average tenor of reserve instruments.

(ii) The report required in paragraph (e)(3)(i) must use a format substantially similar to the template provided in table 1 to this paragraph (e)(3)(ii).

TABLE 1 TO PARAGRAPH (e)(3)(ii)—MONTHLY COMPOSITION TEMPLATE

	As of YYYYMMDD in thousands of U.S. dollars	Amount	Geographic location	Average tenor
	Number of Outstanding Payment Stablecoins Held by United States Customers			
[1] 1.				
2.				
3.				
4	TOTAL OUTSTANDING PAYMENT STABLECOINS HELD BY UNITED STATES CUSTOMERS.			
	Fair Value of Reserve Assets			
5	Deposits:			
6	Insured deposits.			
7	Uninsured deposits.			
8	Treasury bills, Treasury notes, or Treasury bonds.			
9	Other similarly liquid Federal Government-issued assets approved by the OCC.			
10	Money received under repurchase agreements.			
11	Reverse repurchase agreements.			
12	Securities issued by an investment company solely invested in qualifying reserve assets.			
13	Reserves in tokenized form.[2]			
14	Total face value of reserves comprising United States coins and currency.			
15	Total reserve assets.[3]			
16	Outstanding Repurchase Agreement Liabilities.			
17	Reserve asset value.			

[1] List different classes or brands of payment stablecoin separately, if applicable. To the extent that different classes or brands of payment stablecoins are secured by distinct pools of reserve assets, foreign payment stablecoin issuers should publish a composition table for each class or brand of payment stablecoin and describe the legal and operational mechanisms, as applicable, for how the assets are separately secured. If different classes or brands of payment stablecoins are issued by distinct issuers, such as SPV issuers, a separate report must be provided for each class or brand.

[2] Foreign payment stablecoin issuers must separately list any reserves in tokenized form by category of reserve asset, using multiple rows if appropriate.

[3] Do not double-count any reserve assets that may be listed in more than one row for purposes of computing the total.

(iii) The foreign payment stablecoin issuer must promptly notify the OCC through its supervisory office on any day in which the issuer fails to meet the reserve asset requirements of this paragraph (e)(3).

(iv) The foreign payment stablecoin issuer must promptly and fully address any deficiency in its compliance with this paragraph (e)(3) that the OCC explains, in writing, to the foreign payment stablecoin issuer, including by

depositing additional liquidity in eligible financial institutions incorporated or organized under the laws of the United States or any State, to the extent doing so would address the deficiency identified.

(4) The foreign payment stablecoin issuer consents to the jurisdiction of the Federal courts of the United States and of all United States Government agencies, departments, and divisions for purposes of any and all claims made by, proceedings initiated by, or obligations to, the United States, the OCC, and any other United States Government agency, department, or division, in any matter arising under the GENIUS Act and other applicable Federal laws.

(5) The foreign payment stablecoin issuer will comply with all understandings, commitments, or conditions contained in any determination by the Secretary of the Treasury or any arrangements entered into by the United States and the foreign jurisdiction under section 18 of the GENIUS Act (12 U.S.C. 5916).

(f) *Rejection.* (1) The OCC may reject an application under this section if the OCC makes a negative finding with respect to any of the factors described in paragraph (d) of this section or if the OCC determines that the applicant would be unable to comply with the conditions in paragraph (e) of this section.

(2) The OCC will provide written notice to the applicant of any rejection under this paragraph (f).

(g) *Appeal of rejection.* (1) A foreign payment stablecoin issuer may request a hearing to appeal the OCC's rejection of an application for registration within 30 days of receipt of the OCC's notice of rejection.

(2) The request for a written or oral hearing must be in writing.

(3) The foreign payment stablecoin issuer may request the hearing be on the written record, oral testimony and oral argument, or both.

(4) If the foreign payment stablecoin issuer does not make a timely appeal for a hearing under this section, the OCC will notify the applicant, in writing and within 10 days of the last date the applicant would have been able to request a hearing, that the rejection of the application is the final determination of the OCC.

(5) Within 30 days of receiving a timely appeal request, the OCC will notify the applicant of a time and place at which the applicant may appear, personally or through counsel, to submit written materials, provide oral testimony and oral argument, or both. If filing a written appeal, the applicant must submit in writing all documents and arguments that the applicant wishes to be considered.

(6)(i) The Comptroller or authorized delegate considers all information submitted with the original application for registration, the material before the OCC official who made the initial decision, and any information submitted by the appellant at the time of appeal.

(ii) The Comptroller or authorized delegate considers all submitted documentation anew.

(iii) The Comptroller or authorized delegate may uphold or reverse the initial decision to reject the registration.

(7)(i) Within 60 days of the hearing, the Comptroller or authorized delegate will notify the foreign payment stablecoin issuer in writing of a final determination.

(ii) The final determination will explain the findings on which the determination is based.

(iii) If the initial decision is upheld, the decision to reject the application is effective as of the date of the original rejection.

(8) The rejection of an application under this section does not prohibit the applicant from filing a subsequent application.

(9) The OCC will determine the procedures for a hearing under this paragraph (g), including, but not limited to, the duration of the hearing; the order and timing of presentations, if applicable; and the deadlines and requirements for submission of written material.

(h) *Nullifying a decision*—(1) *In general.* The OCC may nullify the approval of a registration under this section if:

(i) The OCC discovers a material misrepresentation or omission in any information provided to the OCC in the application or supporting materials;

(ii) The decision is contrary to law or regulation; or

(iii) The decision was granted due to clerical or administrative error, or a material mistake of law or fact.

(2) *Procedure.* When the OCC intends to nullify the approval of a registration, the OCC, in its sole discretion, will:

(i) Provide the applicant with notice of the intended nullification decision and grant the applicant an opportunity to present a written submission opposing the intended nullification; or

(ii) Take any other action designed to provide the applicant with notice and an opportunity to present its views concerning the intended nullification.

§ 15.33 Revocation or rescission of approval.

(a) *Revocation of approval of a permitted payment stablecoin issuer*—(1) *In general.* The OCC may revoke approval of a permitted payment stablecoin issuer's application under § 15.30 if the permitted payment stablecoin issuer does not submit the certification required by § 15.14(k).

(2) *Procedures*—(i) *Notice and hearing.* Except as otherwise provided in this section, the OCC may issue an order to revoke the permitted payment stablecoin issuer's application approval under § 15.30 after providing notice to the permitted payment stablecoin issuer and after providing an opportunity for a hearing.

(ii) *Procedures for hearing.* The OCC will conduct a hearing under this section pursuant to the OCC's Rules of Practice and Procedure in 12 CFR part 19.

(iii) *Expedited procedure.* The OCC may act without providing an opportunity for a hearing if it determines that expeditious action is necessary in order to protect the public interest. When the OCC finds that it is necessary to act without providing an opportunity for a hearing, the OCC, in its sole discretion, may:

(A) Provide the permitted payment stablecoin issuer with notice of the intended revocation of application approval;

(B) Grant the permitted payment stablecoin issuer an opportunity to present a written submission opposing revocation of application approval; or

(C) Take any other action designed to provide the permitted payment stablecoin issuer with notice and an opportunity to present its views concerning the revocation of application approval.

(3) *Effect of revocation.* A decision to revoke an application approval is effective upon provision of notice to the permitted payment stablecoin issuer, unless otherwise specified by the OCC.

(b) *Rescission of foreign payment stablecoin issuer registration*—(1) *In general.* The OCC may, in consultation with the Secretary of the Treasury, rescind approval of a registration of a foreign payment stablecoin issuer under § 15.32 if the OCC determines that the foreign payment stablecoin issuer is not in compliance with the requirements of the GENIUS Act, including for maintaining insufficient reserves or posing an illicit finance risk or financial stability risk.

(2) *Procedures*—(i) *Notice and hearing.* Except as otherwise provided in this section, the OCC may issue an order to rescind the foreign payment stablecoin issuer's registration approval under § 15.32 after providing notice to the foreign payment stablecoin issuer

and providing an opportunity for a hearing.

(ii) *Procedures for hearing.* The OCC will conduct a hearing under this section pursuant to the OCC's Rules of Practice and Procedure in 12 CFR part 19.

(iii) *Expedited procedure.* The OCC may act without providing an opportunity for a hearing if it determines that expeditious action is necessary in order to protect the public interest. When the OCC finds that it is necessary to act without providing an opportunity for a hearing, the OCC, in its sole discretion, may:

(A) Provide the foreign payment stablecoin issuer with notice of the intended rescission of approval registration;

(B) Grant the foreign payment stablecoin issuer an opportunity to present a written submission opposing rescission of approval registration; or

(C) Take any other action designed to provide the foreign payment stablecoin issuer with notice and an opportunity to present its views concerning the rescission of approval registration.

(3) *Effect of rescission.* A decision to rescind approval of a registration is effective upon publication in the **Federal Register**, unless otherwise specified by the OCC.

Subpart E—Capital and Operational Backstop

§ 15.40 Capital.

(a) *Capital.* The total of a permitted payment stablecoin issuer's equity accounts, as determined under U.S. GAAP, less deductions specified in paragraph (b) of this section, must meet or exceed the minimum capital requirement in § 15.41(a).

(b) *Capital deductions*—(1) *Intangible assets and deferred tax assets.*

(i) Goodwill;

(ii) Any other intangible asset as determined under U.S. GAAP; and

(iii) Deferred tax assets, net of valuation allowances.

(2) *Operational backstop assets funded by equity.* The total operational backstop assets required under § 15.41(b), less the amount of operational backstop debt as defined in paragraph (c) of this section.

(c) *Operational backstop debt.* Operational backstop debt consists of debt instruments in an amount that in total does not exceed 50 percent of the operational backstop requirement in § 15.41(b) and where each debt instrument:

(1) Is issued and paid in;

(2) Is subordinated to the claims of payment stablecoin holders and general creditors of the permitted payment stablecoin issuer;

(3) Is unsecured, including not being backed by the establishment of any fund for payment prior to maturity, covered by a guarantee, or subject to any other arrangement that legally or economically enhances the seniority of the instrument;

(4) Has a minimum maturity date of at least five years. At the beginning of each of the last five years of the life of the instrument, the maximum amount of the instrument that is eligible to be included as operational backstop debt decreases by 20 percent per year of the otherwise full qualifying amount, and the instrument is excluded from operational backstop debt completely when the remaining maturity is less than one year;

(5) May be callable by its terms only after a minimum of five years after issuance and only with the prior written approval of the OCC. In addition, the permitted payment stablecoin issuer must either replace the instrument to be called with an equivalent amount of a new instrument meeting the criteria for operational backstop debt or demonstrate in writing to the OCC that the permitted payment stablecoin issuer has sufficient capital to meet its minimum capital requirement in § 15.41;

(6) Allows for scheduled repayment of principal only at maturity and does not allow for the acceleration of any principal or interest payment, except in the event of the receivership, insolvency, liquidation, or similar proceeding, as applicable, of the permitted payment stablecoin issuer;

(7) Does not have a credit-sensitive feature, but may include a variable interest rate based on prevalent market interest rates;

(8) Does not prohibit the permitted payment stablecoin issuer from issuing other capital or debt instruments; and

(9) Is not funded, directly or indirectly, by any affiliate of the permitted payment stablecoin issuer.

§ 15.41 Minimum capital and operational backstop.

(a) *Minimum capital requirement.* A permitted payment stablecoin issuer must hold minimum capital as follows:

(1) *De novo capital requirement.* (i) A de novo permitted payment stablecoin issuer must hold minimum capital equal to the greater of:

(A) The amount specified as part of its OCC licensing or chartering conditions; or

(B) $5 million.

(ii) A de novo permitted payment stablecoin issuer means a permitted payment stablecoin issuer that has received OCC approval to issue a payment stablecoin under this part within the prior 3 years or a State qualified payment stablecoin issuer that has transitioned to the Federal regulatory framework under this part within the prior 3 years and has not received a waiver under § 15.15(d).

(iii) A de novo permitted payment stablecoin issuer must hold this minimum amount for 36 months, or for a shorter or longer period as specified as part of its chartering conditions or as subsequently determined by the OCC based on the experience of the permitted payment stablecoin issuer.

(2) *Ongoing capital requirement.* (i) A permitted payment stablecoin issuer must maintain capital commensurate with the level and nature of all risks to which the permitted payment stablecoin issuer is exposed, including risks for off-balance-sheet activities.

(ii) A permitted payment stablecoin issuer must have a process for assessing its overall capital adequacy in relation to its business model and risk profile and a comprehensive strategy for sustaining an appropriate level of capital to maintain ongoing operations.

(iii) A permitted payment stablecoin issuer must hold minimum capital of no less than $5 million.

(b) *Operational backstop requirement.* A permitted payment stablecoin issuer must maintain assets:

(1) Equal to 12 months of total expenses.

(i) In the case of a permitted payment stablecoin issuer that has provided quarterly reports under § 15.14 for one year or more, the permitted payment stablecoin issuer must calculate the amount required under this paragraph (b)(1) using the quarterly expenses reported in the current quarterly report and the three immediately preceding reports.

(ii) For each calendar quarter in the preceding 12 months for which the permitted payment stablecoin issuer has not filed a quarterly report required under § 15.14, the permitted payment stablecoin issuer must calculate its expenses using:

(A) Actual expenses, in the case of a permitted payment stablecoin issuer that was in operation during a calendar quarter in which it did not file a quarterly report under § 15.14; or

(B) Reasonably determined expenses, which may include annualizing expenses from other quarters, in the case of any other permitted payment stablecoin issuer.

(iii) A permitted payment stablecoin issuer may exclude one-time expenses that are wholly unrelated to the

continuing operation of the permitted payment stablecoin issuer from the calculation under paragraph (b)(1)(i) or (ii) of this section with prior written approval of the OCC.

(iv) If a permitted payment stablecoin issuer acquires another permitted payment stablecoin issuer, the historical expenses of the acquired permitted payment stablecoin issuer must be added to the historical expenses of the acquiring permitted payment stablecoin issuer.

(2) Consisting of:

(i) United States coins and currency (including Federal Reserve notes) or money standing to the credit of an account with a Federal Reserve Bank;

(ii) Demand deposits or funds in share accounts that are payable on demand at a U.S. insured depository institution, the balances of which are fully insured by the FDIC or the National Credit Union Administration; and

(iii) U.S. Treasury bills, notes, or bonds with a remaining maturity of 93 days or less, or issued with a maturity of 93 days or less; and

(3) Separately identified from any reserve assets required under § 15.11 or other assets of the permitted payment stablecoin issuer on the reports filed under § 15.14.

(c) *Failure to meet minimum capital or backstop requirements.* (1) A permitted payment stablecoin issuer must comply with its minimum capital and backstop requirements at all times.

(i) A permitted payment stablecoin issuer must notify the OCC within 24 hours if it fails to meet either the minimum capital or backstop requirement during a quarter.

(ii) A permitted payment stablecoin issuer must publicly report whether it has complied with the minimum capital and backstop requirements during the quarter on the report required under § 15.14(i).

(2) A permitted payment stablecoin issuer that fails to satisfy its minimum capital or backstop requirement during a quarter and remains noncompliant at the end of the quarter is prohibited from issuing any new payment stablecoins starting on the first day of the following month and until such time as it satisfies its minimum capital and backstop requirements, except as necessary to facilitate a transfer of payment stablecoins from one distributed ledger to another and provided that the net outstanding issuance value does not increase.

(3) If a permitted payment stablecoin issuer fails to meet its minimum capital or backstop requirements at the end of two consecutive quarters, it must:

(i) Begin liquidation of reserve assets and redemption of outstanding payment stablecoins, consistent with § 15.12;

(ii) Not charge customers a fee to redeem their payment stablecoins; and

(iii) Not issue any new payment stablecoins going forward.

(4) After notification to the OCC under paragraph (c)(1)(i) of this section, the OCC may impose the restrictions described in paragraph (c)(2) of this section prior to the end of the quarter if it does not appear that the permitted payment stablecoin issuer will regain compliance with the minimum capital or operational backstop requirements, or as otherwise may be necessary for the protection of payment stablecoin holders.

(5) Notwithstanding paragraphs (c)(2) and (c)(3) of this section, the OCC may permit a permitted payment stablecoin issuer to continue operations while its operational backstop is below the required amount if the backstop assets were liquidated to address a temporary disruption or other operational event, the permitted payment stablecoin issuer provides a plan within seven days to regain compliance with the operational backstop requirement within 90 days, and the OCC deems the plan viable.

(d) *Uninsured national trust bank minimum capital requirement.* (1) An uninsured national trust bank, whether or not it is a permitted payment stablecoin issuer, may elect to comply with all of the requirements in §§ 15.40 through 15.42 in lieu of complying with the requirements in 12 CFR part 3 upon receipt of the OCC's prior approval.

(2) To make the election described in paragraph (d)(1) of this section, an uninsured national trust bank must submit a written request for prior approval to the appropriate OCC supervisory office, along with documentation sufficient to support the bank's minimum capital and operational backstop amounts.

(3) The OCC will approve or deny the request within 60 days after OCC receipt of a complete request.

(4) An uninsured national trust bank may rescind an approved election under this paragraph (d) by submitting a notice to the appropriate OCC supervisory office. The rescission is effective upon receipt by the OCC.

(5) Notwithstanding paragraph (d)(1) of this section, an uninsured national trust bank must comply with any OCC enforcement action, order, directive, or document that specifies a different minimum capital requirement that applies to the national trust bank.

§ 15.42 Individual additional capital or operational backstop requirement.

(a) *Applicability.* The OCC may require an additional capital or backstop requirement for a permitted payment stablecoin issuer if appropriate under the particular facts and circumstances. For example, an additional capital or backstop requirement may be appropriate for:

(1) Failure of management to assess an appropriate capital requirement to support ongoing operations consistent with the permitted payment stablecoin issuer's business model and risk profile;

(2) A permitted payment stablecoin issuer that has, or is expected to have, losses resulting in capital inadequacy;

(3) A permitted payment stablecoin issuer with significant exposure due to management's overall inability to monitor and control financial and operating risks;

(4) A permitted payment stablecoin issuer that is experiencing significant volatility in payment stablecoin issuance or redemption;

(5) A permitted payment stablecoin issuer with significant exposure due to fiduciary or operational risk;

(6) A permitted payment stablecoin issuer's significant off-balance-sheet activities; or

(7) A permitted payment stablecoin issuer that may be adversely affected by the activities or condition of its affiliate(s), or other persons or institutions with which it has significant business relationships.

(b) *Standards for determination.* The factors to be considered in the determination will vary in each case and may include, for example:

(1) The conditions or circumstances leading to the OCC's determination that an additional capital or backstop requirement is appropriate or necessary for the permitted payment stablecoin issuer;

(2) The exigency of those circumstances or potential problems;

(3) The overall condition, management strength, and future prospects of the permitted payment stablecoin issuer and, if applicable, its affiliate(s);

(4) The permitted payment stablecoin issuer's liquidity, capital, and stablecoin reserve assets compared to its peer group; and

(5) The views of the permitted payment stablecoin issuer's owners and senior management in any response provided under paragraph (c)(2) of this section.

(c) *Procedures*—(1) *Notice.* When the OCC determines that an additional capital or backstop requirement above that set forth in § 15.41 is necessary or

appropriate for a particular permitted payment stablecoin issuer, the OCC will notify the permitted payment stablecoin issuer in writing of the proposed additional capital or backstop requirement and the date by which the requirement should be reached (if applicable) and will provide an explanation of why the requirement proposed is considered necessary or appropriate for the permitted payment stablecoin issuer.

(2) *Response.* (i)(A) The permitted payment stablecoin issuer may respond to the OCC in writing to the notice.

(B) The response should include any matters that the permitted payment stablecoin issuer requests that the OCC consider in deciding whether an individual additional capital or backstop requirement should be established for the permitted payment stablecoin issuer, what the capital or backstop requirement should be, and, if applicable, when it should be achieved.

(C) Any response must be delivered to the OCC within 30 days after the date on which the permitted payment stablecoin issuer received the notice or such other time period as the OCC determines appropriate based on the condition of the permitted payment stablecoin issuer.

(ii) Failure to respond within the time period specified by the OCC in the notice constitutes a waiver of any objections to the proposed individual additional capital or backstop requirement or the deadline for its achievement.

(3) *Decision.* (i) After the close of the permitted payment stablecoin issuer's response period, the OCC will decide, based on a review of the permitted payment stablecoin issuer's response and other information concerning the permitted payment stablecoin issuer, whether the individual additional capital or backstop requirement should be established for the permitted payment stablecoin issuer and, if so, the requirement and the date the requirement will become effective.

(ii) The permitted payment stablecoin issuer will be notified of the decision in writing.

(iii) The notice will include an explanation of the decision, except for a decision not to establish an individual additional capital or backstop requirement for the permitted payment stablecoin issuer.

(4) *Submission of plan.* The decision in paragraph (c)(3) of this section may require the permitted payment stablecoin issuer to develop and submit to the OCC, within a time period specified, an acceptable plan to reach the additional capital or backstop requirement established for the permitted payment stablecoin issuer by the date required.

(5) *Change in circumstances.* If, after the OCC's decision in paragraph (c)(3) of this section, there is a significant change in the circumstances that materially affects the permitted payment stablecoin issuer's capital adequacy or its ability to reach the required additional capital or backstop requirement by the specified date, the permitted payment stablecoin issuer may request a change in the additional capital or backstop requirement for the permitted payment stablecoin issuer, the date when the minimum must be achieved, or the permitted payment stablecoin issuer's plan (if applicable). Pending a decision on reconsideration, the OCC's original decision and any plan required under that decision continue in full force and effect.

PART 19—RULES OF PRACTICE AND PROCEDURE

■ 16. The authority citation for part 19 is revised to read as follows:

Authority: 5 U.S.C. 504, 554–557; 12 U.S.C. 93, 93a, 161, 164, 481, 504, 1462a, 1463(a), 1464, 1467(d), 1467a(r), 1817(j), 1818, 1820, 1831m, 1831o, 1832, 1884, 1972, 3102, 3108, 3110, 3349, 3909, 4717, 5412(b)(2)(B), 5905, and 5913; 15 U.S.C. 78l, 78o–4, 78o–5, 78q–1, 78s, 78u, 78u–2, 78u–3, 78w, and 1639e; 28 U.S.C. 2461; 31 U.S.C. 330 and 5321; and 42 U.S.C. 4012a.

■ 17. Amend § 19.1 by revising paragraph (h) and adding paragraph (i) to read as follows:

§ 19.1 Scope.

* * * * *

(h) Suspension or revocation of registration, cease-and-desist, temporary cease-and-desist, removal and prohibition proceedings, or civil money penalties under section 6 of the Guiding and Establishing National Innovation for U.S. Stablecoins Act (''GENIUS Act'') (12 U.S.C. 5905); and

(i) This subpart also applies to all other adjudications required by statute to be determined on the record after opportunity for an agency hearing, unless otherwise specifically provided for in the Local Rules (see § 19.3(j)).

■ 18. Amend § 19.3 by revising paragraphs (h) and (i) to read as follows:

§ 19.3 Definitions.

* * * * *

(h) *Institution* includes any national bank, Federal savings association, Federal branch or agency of a foreign bank, or a permitted payment stablecoin issuer as that term is defined in 12 CFR 15.2.

(i) *Institution-affiliated party* means any institution-affiliated party as that term is defined in section 3(u) of the FDICA (12 U.S.C. 1813(u)). For actions pursuant to the GENIUS Act, institution-affiliated party means any institution-affiliated party as that term is defined in section 2(13) of the GENIUS Act (12 U.S.C. 5901(13)).

* * * * *

■ 19. Revise § 19.180 to read as follows:

§ 19.180 Scope.

This subpart and § 19.8 apply to formal investigations initiated by order of the Comptroller and pertain to the exercise of powers specified in section 5240 of the Revised Statutes of the United States (12 U.S.C. 481); section 5(d)(1)(B) of the Home Owners' Loan Act (12 U.S.C. 1464(d)(1)(B)); sections 7(j)(15), 8(n), and 10(c) of the FDIA (12 U.S.C. 1817(j)(15), 1818(n), and 1820(c)); sections 4(b) and 13(a) and (b) of the International Banking Act of 1978 (12 U.S.C. 3102(b) and 3108(a) and (b)); section 21 of the Exchange Act (15 U.S.C. 78u); and section 6 of the GENIUS Act (12 U.S.C. 5905). This subpart does not restrict or in any way affect the authority of the Comptroller to conduct examinations into the affairs or ownership of national banks; Federal savings associations; Federal branches and agencies; permitted payment stablecoin issuers, as defined in 12 CFR 15.2; and their affiliates.

Jonathan V. Gould,

Comptroller of the Currency.

[FR Doc. 2026–21706 Filed 10–22–26; 8:45 am]

BILLING CODE 4810–33–P