May 1, 2026

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency (OCC)
400 7th Street, SW, Suite 1E-216
Washington, DC 20219

Docket ID OCC- 2025-0372

Via Electronic Submission:

Re: 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

To Whom It May Concern,

On behalf of the Wall Street Blockchain Alliance ("WSBA"), we respectfully submit this comment letter in response to the Office of the Comptroller of the Currency's "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" (RIN 1557-AF41).

The WSBA is an industry-leading, New York–based nonprofit trade association whose mission is to promote the responsible adoption of blockchain technology and digital assets in compliance with applicable laws and regulations. Our diverse membership includes banks, broker-dealers, investment firms, law and accounting firms, and compliance professionals, many of whom contribute through dedicated working groups focused on advancing regulatory clarity. While this letter reflects the input of select WSBA members in their individual capacities, it does not necessarily represent the views of their respective organizations.

Given timing and our focus on areas of greatest relevance to our membership, we address only selected questions from the proposed rulemaking.

Question 4: The term "customer" is broadly defined to mean a person that purchases (through any consideration) the products or services of another person. Is the scope of this definition too broad? With respect to customers of permitted payment stablecoin issuers, should the definition expressly include only persons with direct interactions with a permitted payment stablecoin issuer? Alternatively, should the definition include all downstream payment stablecoin holders (i.e., not just customers with direct interactions with the permitted stablecoin issuer)? Please address any significant impact or burden the

proposed definition or contemplated alternative definitions may have or add given other requirements in the proposed rule, such as the customer notification requirements in proposed § 15.13. Because the term is used in several different contexts throughout the proposed rule, should the definition of "customer" be refined with respect to certain requirements (e.g., customer notification)?

We believe that the OCC's proposed definition of "customer" is broad and as drafted, could encompass all downstream holders of a payment stablecoin, including those who acquire the asset exclusively through secondary market transactions and have no direct interaction with the permitted payment stablecoin issuer ("PPSI"). Because a payment stablecoin remains a product of its issuer regardless of how it is acquired, the proposed definition may be interpreted to treat every downstream recipient as a "customer" of the PPSI. This product-based interpretation would extend multiple obligations under proposed Part 15—including disclosures relating to identity, redemption terms, and fees; individualized advance notice of fee changes; unauthorized-access notifications; and privacy protections for nonpublic personal information—to persons with whom the PPSI has no contractual relationship, no direct communication channel, and, in many cases, no ability to identify.

In our view, this approach may create a practical "unascertainable class" issue. At the moment compliance obligations are triggered, the PPSI may not be able to determine the population to whom those obligations are owed, as the transfers by which downstream holders acquire stablecoins typically occur outside the issuer's records. In practice, payment stablecoins circulate predominantly through secondary-market activity, including exchange trading, over-the-counter transactions, peer-to-peer transfers, and payments between counterparties. Most holders do not enter into a contractual relationship with the issuer. Similarly, digital asset service providers ("DASPs") that interface with end users—often bearing the primary compliance and customer-facing responsibilities—operate independently of the issuer and maintain the direct relationships with users. Treating either downstream holders or DASPs as "customers" of the PPSI could impose obligations the PPSI may not be able to operationally fulfill and may also create unintended consequences under other regulatory frameworks, including the Bank Secrecy Act and state money transmitter laws.

Against this backdrop, we respectfully suggest that the definition of "customer" be refined to better align with the practical and legal realities of stablecoin issuance and circulation. Specifically, "customer" could be limited to persons that have entered into a direct contractual relationship with the PPSI for the issuance, custody, or redemption of payment stablecoins. Persons who acquire, hold, or transfer stablecoins solely through secondary-market activity or intermediaries would not be deemed customers of the issuer by virtue of that activity alone. This approach would ensure that regulatory obligations are appropriately scoped to relationships the PPSI can identify and service, while preserving all substantive protections afforded to downstream holders under the GENIUS Act. Importantly, holder protections attach based on status as a holder—not as a "customer"—and therefore refining the definition would not diminish statutory protections but instead would help align regulatory expectations with

operational reality.

Question 7: The proposed rule does not use the term "digital asset service provider." Is the scope of the term digital asset service provider under the statute sufficiently clear? If not, how should it be clarified? Are there specific activities that should be expressly excluded from digital asset service provider activities, consistent with the statutory definition? Should additional guidance on the exclusions from the definition of "digital asset service provider" or the meaning of "engaging in the business" of providing digital asset service provider activities be clarified? If so, how should the OCC further clarify these terms? Should the OCC clarify that only the provision of financial services that directly relate to digital asset issuance would result in an entity becoming a digital asset service provider?

The proposal appropriately recognizes that certain activities should fall outside the scope of a "payment stablecoin issuer," and the statutory exclusions for protocol developers, validators, liquidity pool participants, and self-custodial software represent important protections for decentralized infrastructure. However, we believe that additional clarity would be beneficial to ensure that these exclusions are interpreted consistently and do not inadvertently capture routine banking, custody, payments, or technology activities that support, but do not constitute, stablecoin issuance.

We respectfully suggest that further guidance on the meaning of "engaging in the business" of issuing payment stablecoins would be particularly valuable. Clarifying that this standard applies to entities with a primary and ongoing role as principal issuer—rather than those providing incidental or facilitative services—would help avoid unintended expansion of the regulatory perimeter. In this regard, the definition could be refined to apply to entities that (i) are legally obligated on the stablecoin liability, (ii) control issuance and redemption, and (iii) derive material revenue from those activities, which we believe would better align the definition with the functional role of an issuer.

We further believe that it would be helpful for the OCC to confirm that providing financial services that "directly relate to digital asset issuance" does not extend to arm's-length banking, custody, payments, or infrastructure services that merely support a stablecoin ecosystem. Without such clarification, there is a risk that service providers—whose activities are already subject to existing regulatory frameworks—could be unintentionally brought within the scope of issuer-related obligations. Providing additional interpretive guidance on these points would help preserve the intended statutory boundaries while supporting continued innovation and participation across the broader digital asset ecosystem.

Question 9: Is the term "distributed ledger" sufficiently clear? Should the term "public digital ledger" be further clarified? What additional clarifications would be helpful? Should certain permissioned or semi-permissioned digital ledgers be considered "public?" If so, how should the definition of "public" delineate between different types of permissioned or semi-permissioned blockchains?

The term "public distributed ledger" is a critical definitional element, and as currently framed, we believe it may benefit from further clarification. As drafted, the requirement for a "public digital ledger" could be interpreted to exclude enterprise and permissioned blockchain architectures that are widely used by regulated financial institutions for reasons of security, privacy, performance, and regulatory compliance. Such an interpretation may unintentionally narrow the range of permissible technological implementations in a manner that is not necessary to achieve the objectives of the rule.

We respectfully suggest that the definition be clarified to ensure that permissioned and semi-permissioned distributed ledger systems are not excluded solely because access or validation is restricted. In practice, many institutional use cases rely on architectures that incorporate governance controls over participation while still maintaining the core attributes of distributed ledger technology. These systems can provide high levels of transparency, auditability, and resilience, even where read or write access is limited to authorized participants.

In this regard, it may be helpful for the OCC to clarify that a "public distributed ledger" includes permissioned and hybrid systems in which (i) transaction records are maintained across multiple independent nodes, (ii) ledger state is tamper-evident and independently verifiable, and (iii) authorized participants, including supervisors, have sufficient access to audit system activity. Such a clarification would promote a more technology-neutral framework while preserving the supervisory visibility and integrity standards that the proposed rule is intended to achieve.

Question 10: Is the definition of "eligible financial institution" appropriately scoped? How could the term be further refined? Are there particular elements of the definition that should be excluded or should be addressed elsewhere in the proposed rule?

The definition of "eligible financial institution" should be grounded in the functional activities performed by an entity, rather than its formal industry classification. In particular, the definition should encompass institutions that hold or control customer funds, extend credit or underwrite risk, custody assets, provide investment or advisory services, or operate payment systems with direct consumer exposure. This activity-based approach would also appropriately capture technology firms where they are effectively acting as financial institutions—for example, where they directly issue financial products such as credit or stored value, control customer funds, operate as money transmitters, or otherwise perform core financial intermediation functions. At the same time, entities whose role is purely ancillary—such as those providing software, APIs, cloud hosting, analytics, or back-end infrastructure—should not be included where they do not take possession of funds or their financial activity is incidental to a broader non-financial business model.

To further refine the definition and avoid overbreadth, the OCC should consider incorporating objective, activity-based thresholds and explicit exclusions. Materiality thresholds—such as minimum transaction volume, number of customer accounts, or assets under management—

would help ensure that only entities with meaningful financial system impact are captured, preventing smaller or incidental actors from being swept into the regulatory perimeter. In addition, the rule should expressly exclude categories of technology service providers that do not perform regulated financial functions, including cloud service providers, data processors, software vendors, payment facilitators that never control funds, and marketplaces offering incidental credit through third parties. These refinements would help ensure that the definition targets true financial intermediaries, rather than infrastructure providers.

Finally, the OCC should 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. At the same time, the definition itself should remain focused and principles-based, with operational requirements, risk-tiering considerations, and illustrative examples addressed elsewhere in the rule or in supervisory guidance. Maintaining this separation will help avoid transforming the definition into a catch-all provision and will support a clearer, more durable regulatory framework.

Question 19: Is the term "private key" sufficiently clear? How could the term be further clarified?

The proposed definition of "private key" may benefit from further clarification to better reflect the evolving technical landscape of digital asset custody and transaction authorization. As currently framed, defining a private key as a "unique alphanumeric string" that enables the transfer of a digital asset may be overly narrow and could be interpreted as limited to traditional, single-key cryptographic models. In practice, modern wallet architectures increasingly rely on more complex arrangements, including multi-party computation (MPC) wallets, threshold signature schemes, and account abstraction frameworks, which do not depend on a single, static private key in the conventional sense.

We believe it would be helpful for the OCC to adopt a more functional and technology-neutral definition that focuses on the role performed—namely, enabling a person or system to authenticate control over a digital asset or authorize transactions on a distributed ledger—rather than the specific form that such control mechanisms take. For example, a definition that encompasses cryptographic credentials or processes used to prove control over an account or authorize the transfer of digital assets may better capture both current and emerging implementations.

Providing this flexibility would help ensure that the rule remains durable as technology evolves, while avoiding unintended constraints on the use of more secure or scalable custody solutions. At the same time, a functional approach would preserve the OCC's ability to supervise the underlying risks associated with key management, access controls, and transaction authorization, regardless of the specific technical architecture employed.

Question 37: Should the prohibition on interest and yield in proposed § 15.10(c)(4) be broader to prevent issuers from directly or indirectly paying interest or yield to payment stablecoin holders (rather than presuming that certain arrangements with affiliates or related third parties violate the prohibition)? Are there examples of potentially evasive behavior that the OCC should expressly include in a

prohibition? If the OCC were to expand the prohibition, are there activities that should be expressly carved out of such an expansion?

The proposed prohibition on interest and yield in § 15.10(c)(4) is an important safeguard, but we believe the current rebuttable presumption framework—particularly as applied to affiliate and third-party arrangements—may extend beyond the statutory text and could benefit from further clarification. As drafted, the framework may be interpreted to capture a range of legitimate commercial arrangements that are not designed to replicate or substitute for interest but rather reflect ordinary business practices within payment ecosystems.

We respectfully suggest that the OCC consider providing additional clarity, including illustrative examples, to distinguish between evasive structures and permissible commercial activity. For instance, arrangements such as customer reward programs, merchant-funded incentives, white-label distribution models with revenue sharing, or loyalty-based benefits tied to transaction activity could be unintentionally implicated if the prohibition is interpreted too broadly. These types of programs are common in traditional payment systems and serve purposes distinct from the payment of interest or yield on a financial instrument.

In this regard, it may be helpful for the OCC to establish clear safe harbors for arrangements that are not structured to provide compensation solely for holding a payment stablecoin. A principles-based approach—focused on whether consideration is provided in connection with broader commercial activity rather than passive holding—would help preserve the statutory intent while avoiding unintended constraints on product design and market development. Such clarification would also reduce uncertainty for issuers and their partners, while ensuring that genuinely evasive behavior remains appropriately within the scope of the prohibition.

Question 38: Should the prohibition on interest and yield in proposed § 15.10(c)(4) clarify the terms "pay," "interest," "yield," "solely," or any other terms? If so, what clarifications would be helpful? What types of rewards, if any, should be subject to the prohibition?

The prohibition on interest and yield in proposed § 15.10(c)(4) would benefit from additional clarification, particularly with respect to the meaning of key terms such as "pay," "interest," "yield," and "solely." As currently framed, aspects of the OCC's commentary—particularly the treatment of certain affiliate and third-party arrangements—may be interpreted as narrowing the statutory language by presuming that certain structures are inherently inconsistent with the prohibition. We believe it would be helpful to clarify that the prohibition is triggered only where consideration is provided solely in connection with the holding, use, or retention of a payment stablecoin, consistent with the plain meaning of the statute.

In this regard, the term "solely" should be given its ordinary meaning and applied in a manner that preserves the statutory distinction between payment instruments and investment products. Compensation that is tied to broader commercial activity—such as transaction volume, merchant engagement, liquidity provision, or platform usage—should not be treated as

interest or yield. Similarly, the term "pay" could be clarified to refer to direct compensation or remuneration provided by an issuer (or its affiliates) to passive holders, rather than encompassing payments arising from independent commercial arrangements or user-driven activity. We respectfully suggest that prohibited "interest or yield" be understood to exist only where compensation is directly tied to the amount or duration of a stablecoin balance, or otherwise reflects the time value of money, without regard to any other user activity.

Providing further clarity in this area would help distinguish between balance-based returns, which are appropriately prohibited, and activity-based incentives, which are consistent with established payment system practices. For example, incentives such as cashback programs, points-based rewards, transaction fee rebates, or discounts tied to usage could be expressly recognized as permissible where they (i) are triggered by user activity, (ii) are not calculated based on time-held balances, and (iii) do not represent a direct pass-through of reserve asset earnings. Likewise, compensation to liquidity providers, market makers, or other participants who support trading, settlement, and network operations should not be treated as interest or yield, as these payments reflect commercial services that contribute to market functioning rather than passive return on holdings.

We respectfully suggest that the OCC consider providing clear guidance or safe harbors to reinforce these distinctions. A principles-based framework that differentiates between passive, balance-based returns and active, activity-driven incentives would better align the rule with statutory intent, while preserving the operational and economic foundations of modern payment systems. Absent such clarification, an expansive interpretation of the prohibition could inadvertently capture ordinary commercial arrangements, discourage innovation, and reduce competitive parity with existing payment models. Over time, this could limit product diversity and concentrate activity among a smaller number of issuers, potentially affecting the resilience and development of the broader digital payments ecosystem.

Question 40: Is the scope of the prohibition against pledging, rehypothecating, or reusing reserve assets sufficiently clear? Are there specific types of transactions, relationships, or structures for which it would be helpful to clarify whether the prohibition applies? For example, should the OCC clarify whether the prohibition would prevent establishing a collateral trustee that would hold a security interest in reserve assets for the benefit of stablecoin holders? What arguments weigh for and against finding that the prohibition would prohibit these arrangements? If a permitted payment stablecoin issuer sets up a collateral trustee arrangement where the issuer grants a security interest in the reserve assets, does this arrangement sufficiently protect the reserve assets in the event of insolvency or bankruptcy? Should a permitted payment stablecoin issuer be required to make particular disclosures if it uses such an arrangement? What should those disclosures include?

In response to Question 40, we respectfully request that the Comptroller provide additional clarity regarding the scope of the proposed prohibition on "pledging, rehypothecating, or reusing" reserve assets under §15.10(c)(5). As drafted, the provision could be read to restrict not only risky forms of reuse – such as onward lending of reserves or their use to support

unrelated obligations – but also prudent, widely accepted liquidity management practices. The rule should therefore distinguish between transactions that materially impair the availability of reserve assets for redemption and those that preserve liquidity, such as short-term, fully collateralized repurchase agreements involving high-quality assets. In this regard, we specifically request that the Rule expressly permit the use of repos on a pre-approved, rule-based basis, rather than requiring transaction-by-transaction or program-level approvals, which would impair a PPSI's ability to access liquidity promptly—particularly in stress scenarios. The OCC should confirm that properly structured repos, tri-party arrangements, and similar operational liquidity tools do not constitute impermissible "reuse," provided that reserves remain highly liquid and the issuer maintains the capacity to meet redemption demands on a continuous basis.

We further request the OCC clarify that §15.10(c)(5) is not intended to categorically prohibit collateral trustee arrangements. Such structures are well-established in financial markets, can enhance governance and creditor protections, and may play a legitimate role in structured liquidity or contingency planning. At the same time, it is important to recognize their limitations: even where a perfected security interest is granted in reserve assets, those assets remain part of the issuer's estate in an insolvency proceeding under the U.S. Bankruptcy Code, and holders are treated as secured creditors rather than direct owners. As a result, access to reserves may be subject to the automatic stay and judicial administration and may not support the immediacy of redemption expected of a payment stablecoin. Collateral trustee arrangements should therefore be viewed as supplemental protections, not substitutes for unencumbered, segregated reserves.

Accordingly, we recommend that the OCC clarify that the prohibition in §15.10(c)(5) is directed at encumbrances that impair prompt redemption or create competing claims on reserve assets, rather than all forms of secured arrangements. A principles-based approach – focused on the liquidity, priority, and immediate availability of reserve assets – would better align the rule with its safety and soundness objectives while preserving necessary operational flexibility. To further enhance supervisory clarity, the OCC may also wish to provide illustrative examples of prohibited and permissible transactions and clarify the treatment of custody, segregation, and tri-party structures.

Finally, where a PPSI employs a collateral trustee structure, the rule should require clear and prominent disclosures to ensure that the arrangement is not mischaracterized as equivalent to true segregation or bankruptcy remoteness. At a minimum, such disclosures should make clear that holders do not own reserve assets but instead have a secured claim; that reserve assets may be part of the estate in an insolvency, with potential delays in recovery; that the effectiveness of the structure depends on proper perfection under UCC Article 9; and that the structure does not ensure immediate or guaranteed redemption. These disclosures should be presented consistently across all communications and should avoid suggesting that the product is risk-free or deposit-like.

Question 41: Should the OCC specify what "creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins" means under proposed § 15.10(c)(5)(iii)? Should the OCC pre-approve repurchase agreements by rule as proposed in § 15.10(c)(5)(iii)(B)? Alternatively, should the OCC allow for broad and open-ended approvals of the sale of reserves as purchased securities in repurchase agreements or should approvals be limited to specific types of transactions? What factors should the OCC consider prior to granting approval of the sale of reserves as purchased securities in repurchase agreements under proposed § 15.10(c)(5)(iii)(B)?

We support the OCC's proposal to permit repurchase agreements by rule rather than requiring transaction- or program-level approvals. In our view, a rule-based approach is essential to ensure that permitted payment stablecoin issuers ("PPSIs") can access liquidity rapidly and reliably, consistent with the safety and soundness objectives of the GENIUS Act. Requiring prior approvals could introduce delay and operational friction at precisely the moments when liquidity must be deployed quickly, particularly in periods of market stress, and may therefore undermine the effectiveness of liquidity risk management.

Repurchase agreements are a core liquidity management tool used across banking and financial market infrastructure, and they play a similarly important role for PPSIs in meeting intraday and short-term redemption demand. We believe that aligning the treatment of repos with established supervisory practice would promote consistency and reduce unnecessary complexity. Banks already conduct repo transactions under well-understood expectations regarding counterparty risk, collateral eligibility, margining, and legal enforceability, and there does not appear to be a prudential basis to impose a more restrictive, approval-based regime on comparable activities conducted by PPSIs.

We respectfully suggest that the OCC achieve its supervisory objectives through clearly defined ex ante parameters rather than ex post approvals. For example, the rule could specify permissible criteria such as high-quality eligible collateral (e.g., U.S. Treasuries), short maturities, qualified counterparties, appropriate haircuts, and enforceable master agreements. Within this framework, ongoing supervision of liquidity risk management, internal limits, and stress testing would provide an effective mechanism for oversight. Clarifying that repos meeting these defined prudential criteria are permissible by rule—and do not require prior supervisory approval—would help ensure that PPSIs can manage liquidity efficiently while maintaining robust risk controls.

Question 42: Should permitted payment stablecoin issuers be required to provide disclosures stating that stablecoins are not legal tender, issued by the United States, or guaranteed or approved by the United States? If so, should the OCC impose any requirements on the manner in which disclosures are made? For example, should the OCC require that disclosures be made on the permitted payment stablecoin issuer's website, at point of direct sale by the issuer, alongside other types of disclosures, or in some other manner?

Permitted payment stablecoin issuers should be required to provide clear disclosures that stablecoins are not legal tender, are not issued by the United States, and are not guaranteed or approved by the United States. Such disclosures are essential to preventing consumer confusion—particularly as stablecoins become more widely used in payment contexts where users may reasonably infer government backing or equivalence to sovereign currency. To be effective, however, these disclosures should not be treated as a one-time or static requirement, but rather as an ongoing obligation embedded across key consumer interaction points.

The OCC should therefore adopt a principles-based, multi-channel approach to disclosure delivery, ensuring that disclosures are prominent, standardized, and unavoidable at critical touchpoints. At a minimum, disclosures should be clearly and conspicuously presented on issuer websites wherever stablecoins are described or offered, including on pages where users may form expectations regarding safety, stability, or backing. Disclosures should also be provided at the point of direct sale, issuance, or conversion—such as during onboarding flows or prior to minting or purchasing stablecoins—so that users receive this information before engaging with the product. In addition, these statements should be integrated alongside other required disclosures, including those relating to redemption rights, reserve composition, and risk factors, and presented with comparable prominence and readability. To avoid misleading impressions, the OCC should also require that such disclosures accompany marketing and promotional materials, including digital advertisements and app-based descriptions, ensuring that disclaimers travel with the product across distribution channels.

At the same time, the OCC should avoid overly prescriptive formatting requirements that could constrain innovation or become outdated as delivery channels evolve. The rule should also not permit disclosures to be satisfied solely through terms of service, "available upon request" language, or other mechanisms that reduce visibility or accessibility. A principles-based approach—focused on prominence, timing, and consumer comprehension—will better ensure that disclosures are meaningful in practice while allowing issuers flexibility in implementation.

Question 58: The reserve asset diversification and concentration limits in proposed § 15.11(c) would not distinguish reserve assets held at Federal Reserve Banks and would therefore include requirements (or conditions of a safe harbor) that would limit the reserve assets held at any one Federal Reserve Bank. In light of the low credit risk associated with Federal Reserve Banks, should the final rule eliminate these requirements or conditions? Specifically, should the OCC exempt reserve assets held at a Federal Reserve Bank from the conditions in § 15.11(c)(2)(iii) and § 15.11(c)(2)(iv) of Option A and the requirements in § 15.11(c)(3) and § 15.11(c)(4) of option B?

We believe it would be appropriate for the OCC to consider exempting reserve assets held at Federal Reserve Banks from the proposed diversification and concentration limits under § 15.11(c). In our view, balances maintained at a Federal Reserve Bank present a fundamentally different risk profile from deposits held at commercial banking institutions, given the absence of meaningful credit risk and the central role of the Federal Reserve within the U.S. financial

system. As such, applying single-institution exposure limits to these balances may not be necessary to achieve the rule's safety and soundness objectives.

We respectfully suggest that treating Federal Reserve balances in the same manner as other depository exposures could result in unnecessary operational constraints without a commensurate risk mitigation benefit. Permitted payment stablecoin issuers ("PPSIs") may rely on Federal Reserve accounts as a primary means of maintaining highly liquid, risk-free reserves capable of supporting prompt redemption. Limiting the ability to concentrate reserves in such accounts could require issuers to diversify into lower-quality or more operationally complex alternatives, which may introduce incremental risk rather than reduce it.

Accordingly, we respectfully suggest that the OCC consider exempting reserve assets held at Federal Reserve Banks from the diversification conditions in § 15.11(c) or otherwise clarifying that such balances do not count toward single-institution concentration limits. This approach would better align the rule with the underlying risk characteristics of Federal Reserve deposits, while preserving the broader objectives of liquidity, safety, and redemption certainty.

Question 61: The OCC invites comment on the extent to which additional diversification requirements are necessary. Is it necessary to require that permitted payment stablecoin issuers maintain more than one type of reserve asset? Would it be sufficient for the OCC to require that permitted payment stablecoin issuers maintain only one secondary, backup reserve asset?

We believe it would be appropriate for the OCC to take a risk-based and proportionate approach when considering additional diversification requirements for reserve assets. In particular, we respectfully suggest that the need for diversification should be calibrated to the size, complexity, and risk profile of the permitted payment stablecoin issuer ("PPSI"), rather than applied as a uniform requirement across all issuers.

For smaller or less complex issuers, it may be both prudent and operationally efficient to concentrate reserves in a single, high-quality asset class—such as demand deposits or short-dated U.S. Treasury securities—where the risk characteristics of that asset are well understood and aligned with the issuer's liquidity needs. In such cases, requiring diversification across multiple asset types may introduce unnecessary complexity, operational burden, and potential sources of risk without a corresponding benefit to safety and soundness.

At the same time, we recognize that diversification may become more important as issuers grow in scale or adopt more complex operating models. Accordingly, we respectfully suggest that the OCC consider a framework that allows for flexibility at smaller scale, while reserving more prescriptive diversification expectations for larger or systemically significant issuers. This could include permitting a primary reserve asset concentration, supplemented by a secondary or contingency asset where appropriate, rather than requiring multiple asset classes in all cases.

Such a calibrated approach would better align regulatory requirements with underlying risk, support operational efficiency, and avoid imposing artificial diversification requirements that may not enhance resilience in practice.

Question 83: Subclause 4(a)(1)(A)(i) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(i)) provides that reserve assets can include "money standing to the credit of an account with a Federal Reserve Bank." Should diversification requirements include special measures for reserve bank balances if permitted payment stablecoin issuers are able to maintain them?

We agree that requiring certain reserves to be held with federally insured banks subject to robust prudential oversight can enhance confidence in the integrity and redeemability of payment stablecoins and aligns with established principles of user protection and risk mitigation. At the same time, we believe it is important to recognize the practical constraints associated with holding large reserve balances in insured depository institutions. In particular, institutional accounts maintained by permitted payment stablecoin issuers ("PPSIs") will frequently exceed applicable federal deposit insurance limits, such as the $250,000 FDIC threshold, given the scale of reserves required to support outstanding stablecoin issuance. In practice, issuers managing significant reserve balances may not be able to continuously distribute funds across a sufficient number of banking partners to remain within insured limits at all times.

In this context, we believe that applying a uniform diversification requirement to reserve balances—particularly those held in accounts with Federal Reserve Banks—may not be necessary or effective. PPSIs vary significantly in size, liquidity needs, risk profiles, and operational complexity, and access to reliable banking relationships has historically been constrained for participants in the digital asset sector. As a result, rigid diversification mandates could prove impractical and, in some cases, counterproductive, potentially limiting issuers' ability to manage liquidity efficiently or to maintain stable and resilient banking arrangements.

To address these considerations, we respectfully suggest that the OCC consider a transparency-based approach rather than prescriptive diversification requirements. For example, issuers could be required to publicly disclose, or make available for supervisory inspection, the locations and concentration of their cash reserves across institutions. Such disclosures would enable regulators and market participants to assess concentration risk, including instances where balances exceed applicable insurance limits, while preserving flexibility for issuers to manage reserves in a manner consistent with their operational and liquidity needs. This approach would promote accountability and informed risk assessment without imposing constraints that may be difficult to implement in practice.

Question 86: Should the proposed rule include additional measures to address de-pegging in the secondary market? For example, should the proposed rule bar a permitted payment stablecoin issuer from issuing new payment stablecoins if a permitted payment stablecoin issuer's payment stablecoins trade in secondary markets at some price that is a set amount less than par (e.g., trading at or below $0.99, $0.80 or some other amount) for some sustained period of time (e.g., 24 hours)?

We respectfully believe that a rigid, price-triggered restriction on new issuance tied to secondary market de-pegging would likely be counterproductive. Secondary market prices

may deviate from par for short periods due to liquidity imbalances, market structure frictions, or temporary dislocations, and such deviations are often corrected through arbitrage and active trading. Automatically halting issuance when a stablecoin trades below a fixed threshold could remove a key mechanism that supports price stabilization, as the ability to create and redeem directly with the issuer is central to aligning supply and demand and restoring the peg.

In practice, such constraints could reduce liquidity, widen bid-ask spreads, and potentially prolong dislocations rather than resolve them, particularly during periods of market stress when flexibility is most important. These risks may be further amplified in the digital asset ecosystem, where access to banking infrastructure has historically been constrained, reinforcing the importance of allowing market-based stabilizing forces to operate without unnecessary interruption.

We respectfully suggest that, rather than imposing hard issuance restrictions based on short-term or rapidly shifting secondary market price levels, the OCC consider a framework that emphasizes transparency, redemption certainty, and operational resilience. Clear disclosure of reserve composition, reliable and timely redemption processes, and robust operational readiness can support market confidence and enable participants to respond effectively to price deviations. In our view, these measures are more likely to promote sustained peg stability while avoiding unintended consequences that could arise from rigid issuance constraints.

Question 87: Should other liquidity rules be amended to accommodate the changes made by the proposed rule and the GENIUS Act? For example, should the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) rules be amended so that depository institutions are unable to include high quality liquid assets (HQLA) held by permitted payment stablecoin issuer subsidiaries as eligible HQLA in their own LCR and NSFR calculations? Similarly, should any outflows associated with a permitted payment stablecoin issuer subsidiary be excluded from a parent entity's LCR calculations? Should the stablecoin activities of permitted payment stablecoin subsidiaries be fully excluded from the LCR calculations of parent entities? Or should there be a limited outflow commensurate with the possibility that a parent entity may provide support to a permitted payment stablecoin issuer subsidiary (for example, 1 percent, 5 percent, or 10 percent or outstanding issuance value)? Should the LCR rule be amended so that depository institutions holding uninsured deposits, particularly large balances, that represent reserve assets from permitted payment stablecoin issuers must assign a higher outflow to such deposits? Should the LCR rule be amended in light of any other implications of the Act, such as how it may apply to custodians under section 10 of the Act?

We believe it would be appropriate for the OCC to clarify the treatment of permitted payment stablecoin issuer ("PPSI") subsidiaries within existing liquidity frameworks, including the Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR"). In particular, it may be helpful to confirm that reserve assets held by a PPSI subsidiary should not be included as high-quality liquid assets ("HQLA") in the parent institution's LCR calculations where those assets are legally segregated and dedicated to stablecoin redemption. By design, such reserve assets are not available to meet the obligations of the parent entity and are often subject to structural, contractual, and supervisory restrictions that limit or prohibit their transfer. Including

these assets in parent-level liquidity metrics could therefore misstate the parent's true liquidity position and introduce the potential for double counting within the consolidated organization.

We further believe that including PPSI reserves in parent LCR calculations could create unintended incentives, such as encouraging reliance on assets that cannot be mobilized in stress scenarios and may undermine both the integrity of the LCR framework, and the core principle of ring-fenced, redemption-ready reserves established under the GENIUS Act. This would be inconsistent with longstanding liquidity principles, which emphasize the importance of assessing liquidity based on the availability and transferability of assets under stress conditions.

At the same time, we agree that stablecoin-related outflows should be appropriately reflected in liquidity metrics. However, such outflows should be calibrated to reflect the high liquidity and short duration of the underlying reserve assets—such as cash and short-dated U.S. Treasuries—as well as the operational design of PPSIs, which are structured to meet redemption demands promptly and on a continuous basis. Applying overly conservative outflow assumptions could overstate liquidity risk and create distortions relative to economically similar, fully backed instruments.

Accordingly, we respectfully suggest that the OCC exclude PPSI reserve assets from parent-level HQLA for LCR purposes where such assets are legally segregated and not freely transferable to the parent, while applying tailored outflow assumptions for stablecoin liabilities that appropriately reflect the liquidity of the backing assets and the issuer's capacity to meet redemption obligations. This approach would preserve the integrity of both the LCR framework and the GENIUS Act's reserve segregation model, while ensuring that liquidity regulation remains risk-sensitive, operationally accurate, and aligned with safety and soundness objectives.

Question 98: Are there additional considerations that the OCC should take into account with respect to proposed § 15.11(g)(1), including whether it is appropriate that the permitted payment stablecoin issuer must not issue new stablecoins until it remediates a shortfall in reserve assets? For example, should there be some period of time (e.g., one or two days) where an issuer should be able to issue stablecoins despite a shortfall? Is the requirement in § 15.11(g)(3) set appropriately at 15 days or should the period be longer or shorter (e.g., 5 days, 10 days, 20 days, 25 days, 30 days)?

We believe it would be helpful for the OCC to consider the practical dynamics of reserve management when evaluating the proposed requirement that a permitted payment stablecoin issuer must cease issuing new stablecoins until any reserve shortfall is remediated. In practice, temporary or intraday reserve deficiencies may arise due to settlement timing, operational processes, or market mechanics, without indicating any underlying weakness in the issuer's financial position or reserve sufficiency. In this context, we respectfully suggest that a limited cure period—such as one or two business days—may be appropriate to allow issuers to resolve shortfalls in the ordinary course, without unnecessarily constraining issuance activity or disrupting market functioning.

Providing such a short cure window could help avoid unintended consequences where otherwise well-capitalized and properly managed issuers are required to halt issuance due to transient conditions. This flexibility would better align the rule with operational realities, while still preserving strong safeguards to ensure that any persistent or material deficiencies are addressed promptly.

We also believe it would be helpful for the OCC to revisit the proposed 15-day remediation period under § 15.11(g)(3), particularly in light of potential market impacts. While timely remediation is critical, a rigid liquidation trigger at 15 days may, in certain circumstances, incentivize forced asset sales under unfavorable market conditions, potentially harming stablecoin holders rather than protecting them. A more flexible or principles-based approach—potentially allowing for supervisory discretion or tailored remediation timelines based on the nature and severity of the shortfall—may better support both safety and soundness objectives and market stability.

Question 101: Should the OCC include a safe harbor for failing to timely redeem a payment stablecoin in certain circumstances that may be outside of the permitted payment stablecoin issuer's control (e.g., disruptions to payment or banking systems for which the permitted payment stablecoin issuer is not responsible)?

We believe it would be appropriate for the OCC to consider a narrowly tailored safe harbor for circumstances in which a permitted payment stablecoin issuer ("PPSI") is unable to effect timely redemption due to events outside of its control. While prompt redemption is fundamental to the functioning and credibility of payment stablecoins, a strict liability framework that does not account for external disruptions may create unintended consequences and could be inconsistent with broader safety and soundness principles. Modern payment and settlement processes rely on interconnected third-party infrastructure—including banking systems, payment networks, custodians, and blockchain networks—any of which may experience temporary disruptions that impair an issuer's ability to complete redemptions, even where reserves remain fully available.

In this context, we respectfully suggest that the OCC consider a principles-based safe harbor that preserves accountability while recognizing operational realities. For example, a PPSI could be deemed compliant with redemption requirements where (i) the delay is caused by a bona fide external disruption outside the issuer's control; (ii) the PPSI maintains sufficient, unencumbered reserve assets to meet redemption demands; (iii) the PPSI has implemented reasonable contingency and business continuity plans, including alternative payment channels where practicable; (iv) the PPSI provides prompt notice to the OCC and clear public disclosure to users regarding the disruption and expected resolution; and (v) the PPSI resumes redemptions as soon as operationally feasible.

We recognize that introducing a safe harbor must be carefully calibrated so as not to undermine confidence in redemption rights. However, we believe a narrowly defined

framework of this kind would enhance financial stability by avoiding unnecessary supervisory or enforcement consequences during temporary, system-wide disruptions, while maintaining strong incentives for issuers to ensure robust liquidity, operational resilience, and transparency. Such an approach would also be consistent with established regulatory treatment of operational outages and third-party dependencies in the broader financial system.

Question 118: Are there areas that fall under the categories of technological, operational, compliance, or other risk management principles-based requirements and standards that should be included in § 15.13 but were omitted from the proposed rule? Should proposed § 15.13(b) expressly address risks relating to smart contracts, encryption, tokenized assets, or any other technology or procedure?

We believe the OCC's principles-based approach in proposed § 15.13 is appropriate and should be retained. In particular, we do not believe the rule should prescribe specific technologies, such as particular wallet architectures, ledger types, custody models, smart contract frameworks, application programming interfaces, artificial intelligence systems, or vendor configurations. At the same time, we respectfully suggest that the rule could be enhanced by expressly recognizing that payment stablecoins will increasingly be used in programmable, delegated, and automated workflows, including those in which software agents execute transactions on behalf of human or institutional principals under defined authority. In these environments, the primary risk extends beyond traditional concerns such as key compromise or cybersecurity failure and includes the possibility that value may move without clear authority, appropriate constraints, reliable records, or effective mechanisms for revocation.

Against this backdrop, we believe it would be helpful for § 15.13 to focus on control outcomes rather than specific technologies, using a technology-neutral and risk-proportionate framework. A permitted payment stablecoin issuer ("PPSI") should be able to demonstrate, in a manner commensurate with its size, complexity, and degree of automation, that legal authority is appropriately mapped to technical execution; that delegated or automated authority is subject to defined limits, including transaction, counterparty, velocity, and revocation controls; that material instructions generate records sufficient to reconstruct who or what initiated, approved, transmitted, modified, or executed each action; that anomalous or policy-overriding activity is identified and escalated based on risk; and that these controls are subject to periodic and independent testing.

We further believe that a functional, rather than title-based, approach to risk management and control oversight is appropriate. While proposed § 15.13(b) contemplates the designation of a qualified Information Technology and Security Officer, and § 15.13(a)(2) provides for internal audit or independent review, we respectfully suggest that the rule emphasize the functions to be performed rather than mandating specific organizational titles across all PPSIs. Each PPSI should maintain qualified personnel or independent resources responsible for risk management, control testing, and escalation, with appropriate independence and access to

senior management and the board. As PPSIs grow in size, complexity, and automation, more formalized roles—such as Chief Risk Officer or Chief Audit Executive—may become appropriate, but the rule should not require early-stage entities to adopt bank-style structures prematurely.

Finally, we believe it would be beneficial for § 15.13 to address the legal attribution of programmatic and delegated instructions. As payment authority is increasingly executed through smart contracts, APIs, and automated agents, PPSIs should be able to demonstrate that material payment instructions are attributable to an identifiable principal under applicable legal frameworks. This may include evidencing the principal on whose behalf an instruction was given, the source and limits of delegated authority, the chain of transmission, and the conditions under which such authority may be revoked or overridden. Incorporating this concept into the rule—without prescribing the underlying technology—would help bridge the gap between traditional assumptions of user-initiated instructions and the evolving reality of automated and programmable payment systems.

In our view, this approach would provide clear supervisory expectations while preserving flexibility for innovation. It would also support a wide range of ecosystem participants—including technology providers, custodians, enterprise platforms, and compliance vendors—by establishing consistent, outcome-based design parameters. Most importantly, it would enable supervisors to focus on the core risks associated with payment stablecoins as they evolve, including authority, control limits, record integrity, revocation, operational resilience, and legal enforceability.

Question 125: Are the proposed requirements with respect to insider and affiliate transactions appropriately tailored? If not, how should they be modified? Should the OCC consider more prescriptive quantitative or qualitative requirements related to insider and affiliate transactions?

We believe the proposed framework for insider and affiliate transactions—particularly the emphasis on arm's-length terms and appropriate board-level review—is generally well calibrated and consistent with sound governance practices. These principles provide a flexible and effective mechanism for managing potential conflicts of interest while allowing permitted payment stablecoin issuers ("PPSIs") to structure their operations efficiently.

At the same time, we respectfully suggest that the OCC exercise caution in adopting more prescriptive quantitative or qualitative limits, particularly those analogous to frameworks such as Regulation O. In our view, such requirements may be disproportionate when applied to nonbank PPSIs, which often operate with relatively simple, fully reserved balance sheets and limited credit intermediation. Imposing bank-style quantitative constraints in this context could introduce unnecessary complexity without a commensurate prudential benefit.

We also note that PPSIs may appropriately rely on affiliate relationships for core functions such as custody, technology services, treasury management, and operational support. These arrangements can enhance efficiency, reduce costs, and support scalability, particularly in early-stage or specialized business models. Accordingly, it would be helpful for the rule to confirm that affiliate transactions are permissible where they are conducted on market terms, subject to appropriate governance, and supported by clear disclosure. In our view, a principles-based approach—focused on transparency, arm's-length pricing, and oversight—would effectively address potential risks without discouraging legitimate and economically beneficial affiliate arrangements.

Question 126: Should the OCC include any requirements relating to the concentration of management at unaffiliated permitted payment stablecoin issuers? For example, should the OCC include limits on the number of unaffiliated permitted payment stablecoin issuers for which an individual may serve as an executive officer or senior management official? Should any such limits be tied to the outstanding issuance value of the permitted payment stablecoin issuer?

We believe it would be appropriate for the OCC to approach this issue with flexibility, particularly given the early stage of development of the payment stablecoin ecosystem. At present, the industry remains in a formative phase, and experienced management talent is relatively concentrated. As a result, imposing rigid limitations on interlocking management roles across unaffiliated permitted payment stablecoin issuers ("PPSIs") may prove impractical and could inadvertently constrain the availability of qualified leadership during a critical period of market development.

In our view, potential conflicts of interest arising from overlapping management roles are more effectively addressed through robust governance practices rather than categorical prohibitions. These may include clear disclosure of overlapping roles, well-defined recusal procedures, and appropriate board oversight to ensure that decisions are made in the best interests of each entity. Such mechanisms are widely used across financial services and can provide meaningful safeguards without restricting operational flexibility.

Accordingly, we respectfully suggest that the OCC avoid imposing prescriptive limits on the number of PPSIs for which an individual may serve as an executive officer or senior management official. A principles-based approach focused on transparency, conflict management, and accountability would, in our view, better align with the current stage of the industry while still addressing the underlying governance considerations.

Question 129: Should the OCC alter the proposed reporting or examination requirements? If so, how? Is there additional information that should be included in the required reports or information that is not included in the proposed rule? Is there information included in the required reports or information that should not be included in the proposed rule?

We believe it would be appropriate for the OCC to adopt a more flexible, risk-based approach to reporting frequency under the proposed rule. In particular, we respectfully suggest that a

baseline monthly reporting cadence under § 15.14(h) would better balance supervisory visibility with operational efficiency. Permitted payment stablecoin issuers ("PPSIs") are expected to maintain high-quality, short-duration reserves and robust internal monitoring capabilities, and in this context, a weekly reporting requirement may impose a meaningful operational burden without a commensurate supervisory benefit under normal conditions.

At the same time, we believe it is important that the rule preserve supervisory discretion to require more frequent reporting where warranted. For example, more frequent reporting—such as bi-weekly, weekly, or even daily—may be appropriate for larger or systemically significant stablecoins, or in higher-risk scenarios, including periods of market stress, rapid growth, material changes in liquidity or redemption patterns, or identified control weaknesses. A principles-based framework that calibrates reporting frequency to an issuer's size, risk profile, and market impact would, in our view, better align with broader supervisory practices while ensuring timely access to relevant information when needed.

We also believe it would be helpful for the OCC to revisit certain data elements proposed for inclusion in required reports. In particular, the requirement to report on the "100 persons that hold or trade the stablecoin the most" may raise significant privacy, legal, and technical feasibility concerns, especially given the pseudonymous nature of blockchain addresses and the role of intermediaries in stablecoin distribution. Identifying beneficial holders in a consistent and reliable manner may not be practicable in all cases and could introduce ambiguity or unintended data collection risks. Clarifying or refining this requirement—potentially by focusing on observable on-chain metrics or institutional counterparties where identifiable—would help ensure that reporting obligations remain both meaningful and operationally achievable.

Accordingly, we respectfully suggest that the OCC adopt a monthly baseline reporting framework, coupled with clear authority to increase frequency based on risk, and revisit certain reporting elements to ensure they are appropriately tailored, practicable, and aligned with the underlying structure of digital asset markets.

Question 131: In proposed § 15.14(h), the OCC proposes to collect confidential weekly data from permitted payment stablecoin issuers to minimize the examination burden on permitted payment stablecoin issuers. The weekly data would include information relating to: (1) outstanding issuance value, (2) reserve assets, (3) redemptions, (4) minting and issuance, (5) exchanges on which the stablecoin trades, (6) the 100 persons that hold or trade the stablecoin the most, (7) data concerning securities held as reserve assets (including information regarding reserve assets' CUSIPs, yield, weighted average maturity and weighted average life), and (8) information regarding repurchase agreements and reverse repurchase agreements (including information regarding the counterparty, clearing agency, collateral, and interest). Has the OCC identified in the proposed form the appropriate data fields and categories of information to collect from a permitted payment stablecoin issuer on a weekly basis to understand the operations and risks unique to its business model? If not, are there data fields that the OCC should not request on a weekly basis and are there any additional data fields beyond those proposed that the OCC should collect on a weekly basis from a permitted payment stablecoin issuer to better assist in

understanding the operations and risks unique to its business model? Should the OCC collect secondary market transaction data (e.g., trading price and volume)? Or should the OCC only collect primary market transaction data? Would it be too burdensome for permitted payment stablecoin issuers to provide the proposed weekly data to the OCC electronically on a daily or real-time basis? Should the OCC collect additional data regarding the custody of reserve assets (or other covered assets)? Should the data collected be made public? If, so, on what timeframe should the data be made public? To what extent, if any, would a permitted payment stablecoin issuer be anticipated to track the information required under the form referred to in proposed § 15.14(h) on a regular or real-time basis for its own use in the absence of a requirement to report it? To what extent would the proposed weekly and quarterly reporting requirements tend to reduce the frequency at which the OCC would need to examine permitted payment stablecoin issuers? Are there other reporting requirements that the OCC could request that might reduce the frequency at which the OCC would need to examine permitted payment stablecoin issuers?

We believe the OCC has identified a broadly appropriate set of data categories to support supervisory insight into the operations and risks of permitted payment stablecoin issuers ("PPSIs"). At the same time, we respectfully suggest that certain elements of the proposed reporting framework could be refined to better align with the technical structure of digital asset markets, reduce operational burden, and enhance the usefulness of the data collected.

In particular, we believe the proposed requirement to report on the "100 persons that hold or trade the stablecoin the most" raises significant privacy, legal, and technical feasibility concerns. In blockchain-based systems, identifying ultimate beneficial holders is often not practicable. Stablecoins frequently circulate through pseudonymous addresses, omnibus wallets, exchanges, custodians, and smart contracts, where a single address may represent many users, and a single user may control multiple addresses. As a result, any attempt to identify the "top 100 persons" would likely be incomplete, inconsistent, and potentially misleading, thereby limiting its supervisory value.

We further believe that such a requirement could create tension with privacy expectations and applicable legal obligations, particularly in cases where PPSIs do not maintain direct relationships with end users and instead interface with intermediaries. It may also introduce unnecessary data security risks by requiring the aggregation and maintenance of sensitive information that is not essential to prudential oversight. In addition, the operational complexity associated with attempting to infer beneficial ownership across fragmented and evolving blockchain data—often relying on probabilistic third-party analytics—would impose a substantial burden without a clear, risk-based justification.

In light of these considerations, we respectfully suggest that the OCC consider a more principles-based, aggregated reporting approach to address concentration and activity risk. For example, reporting could focus on metrics such as concentration of holdings by wallet tiers or counterparty types, exposure to large intermediaries (such as exchanges or custodians), transaction volume concentration, and liquidity and redemption patterns. To the extent that insight into concentration risk is needed, requiring reasonably available information at the level of direct counterparties or known customers would provide more reliable and actionable

supervisory data than attempting to identify ultimate beneficial owners across a pseudonymous network.

Accordingly, we respectfully suggest that the OCC omit the proposed "top 100 persons" reporting requirement and instead adopt an aggregated, risk-focused reporting framework that better reflects the structure of digital asset markets, protects privacy, and provides more meaningful supervisory insight.

Question 202: Are there any aspects of the proposed rule that the OCC should adjust to promote fair competition between banks and non-banks?

We believe it would be important for the OCC to ensure that the proposed rule promotes a level competitive playing field between bank-affiliated and non-bank permitted payment stablecoin issuers ("PPSIs"). In particular, we respectfully suggest that the rule be calibrated to avoid creating scenarios in which bank-affiliated issuers benefit from lower effective regulatory requirements or indirect advantages that are not available to similarly situated non-bank issuers.

To the extent that bank-affiliated PPSIs may be able to rely on parent-level infrastructure, capital, or supervisory frameworks, it would be helpful for the OCC to ensure that such arrangements do not result in materially different regulatory outcomes for comparable activities. Differences in organizational structure should not, in our view, translate into disparities in prudential expectations, particularly where the underlying risks associated with stablecoin issuance, reserve management, and redemption obligations are substantially similar.

Accordingly, we respectfully suggest that the OCC continue to apply a consistent, activity-based approach to regulation, ensuring that requirements are aligned with the nature of the activity rather than the type of institution conducting it. Such an approach would support fair competition, encourage innovation across both bank and non-bank models, and promote a more resilient and diverse stablecoin ecosystem.

Question 203: Should the proposed rule explicitly address permitted payment stablecoin issuers that also issue/redeem the same or similar stablecoins in one or more foreign jurisdictions? Could these issuers be subject to additional risks or operational challenges that are not sufficiently addressed by the proposed rule? To what extent should stablecoin holders be able to distinguish between the same or similar stablecoins issued under the GENIUS Act versus another regulatory regime? If the holder should be able to establish that it is holding a GENIUS Act compliant stablecoin, how should the OCC assist the holder in making this determination? For example, should the OCC impose required disclosures or technical requirements, such as through smart contracts, including those that use wrappers or other techniques?

We believe it would be helpful for the OCC to provide clear guidance on how it will supervise permitted payment stablecoin issuers ("PPSIs") that offer the same or similar stablecoins across both the GENIUS Act framework and one or more foreign regulatory regimes. Given the

inherently global nature of stablecoin markets, issuers frequently operate across jurisdictions, with tokens circulating seamlessly among users and platforms worldwide. In the absence of a clear supervisory framework, issuers may face fragmentation, duplicative compliance requirements, and operational uncertainty, which could discourage participation in U.S.-regulated markets.

We respectfully suggest that the OCC adopt a principles-based approach that facilitates global interoperability while maintaining the protections of the GENIUS Act. Without such clarity, issuers may be required to segment liquidity pools, duplicate reserve structures, or impose jurisdiction-specific constraints, which could reduce efficiency and undermine the core value proposition of stablecoins as global payment instruments. It would also be important to avoid requirements that effectively mandate U.S.-only token variants or siloed infrastructure, as such approaches could fragment liquidity and incentivize activity to migrate offshore.

In this regard, we believe it would be beneficial for the OCC to consider an interoperable supervisory framework that, where appropriate, recognizes substituted compliance or regulatory equivalence when foreign regimes impose comparable prudential, reserve, and redemption standards. The OCC could also clarify expectations around the use of shared or unified reserve structures, provided that U.S. holders retain legally enforceable redemption rights consistent with GENIUS Act requirements. Additional guidance on ring-fencing, disclosures, and risk management in multi-jurisdictional contexts would further support consistent implementation.

We further believe it would be helpful to address how stablecoin holders can distinguish between tokens issued under the GENIUS Act and those subject to other regulatory regimes. In this context, the OCC could consider requiring clear and consistent disclosures and potentially supporting technical mechanisms—such as on-chain identifiers or contract-level distinctions—where appropriate, to enable users and counterparties to determine the regulatory status of a given token. Coordination with foreign supervisors, including information sharing and alignment of oversight practices, would also support a more effective and resilient global framework.

Providing clarity in these areas would, in our view, promote efficiency, reduce regulatory uncertainty, and support U.S. leadership in the development of global digital payment systems, while ensuring that U.S. users continue to benefit from the protections of the GENIUS Act.

Question 204: What additional issues could arise with respect to a business model where a foreign affiliate issues or redeems payment stablecoins abroad? How should the OCC address these issues?

We believe it would be helpful for the OCC to recognize the practical challenges that arise in business models where a foreign affiliate issues or redeems payment stablecoins abroad while a U.S. permitted payment stablecoin issuer ("PPSI") participates in reserve management or

redemption. In particular, we respectfully suggest that the OCC consider the operational limits of attempting to segregate U.S. and non-U.S. reserves where the same stablecoin circulates globally. In practice, stablecoins are fungible and move freely across jurisdictions, intermediaries, and platforms, making it difficult to continuously associate specific tokens—or the reserve assets backing them—with particular geographic regions.

A rigid requirement to segregate reserves along jurisdictional lines could introduce significant inefficiencies without meaningfully improving safety and soundness. Such an approach may necessitate duplicative reserve pools, fragmented liquidity, and transfer restrictions, all of which could impair redemption efficiency and undermine the core functionality of stablecoins as global payment instruments. These challenges may be particularly acute in cross-affiliate structures, where absent clear guidance, issuers could face conflicting regulatory obligations or be incentivized to shift activity outside the United States.

In light of these considerations, we respectfully suggest that the OCC adopt a more workable, risk-based framework that supports global interoperability while preserving the protections of the GENIUS Act. This could include permitting a unified reserve pool backing all outstanding tokens, provided that the pool remains fully sufficient and composed of high-quality liquid assets. At the same time, it would be important to ensure that U.S. holders retain clear, legally enforceable redemption rights against a U.S. obligor. Documented intercompany arrangements could allocate responsibility for reserves, liquidity, and redemption across affiliated entities, supported by appropriate governance and oversight.

We further believe that targeted safeguards—such as enhanced disclosures, limits on intra-group exposures, and ongoing supervisory review—would be more effective than rigid geographic segregation in managing cross-border risks. Coordination with foreign regulators, including recognition of comparable prudential frameworks where appropriate, could also help promote consistency and reduce fragmentation. In our view, focusing on legal rights, liquidity, and transparency—rather than strict geographic segregation—would better advance the objectives of the GENIUS Act while enabling U.S.-regulated issuers to operate effectively within global payment networks.

Question 208: Section 12 of the GENIUS Act provides that the primary Federal payment stablecoin regulators, in consultation with the National Institute of Standards and Technology, and other relevant standard-setting organizations, and State bank and credit union regulators, shall assess and, if necessary, prescribe standards for permitted payment stablecoin issuers to promote compatibility and interoperability with other permitted payment stablecoin issuers and the broader digital finance ecosystem. What efforts are issuers currently taking to address challenges posed by interoperability? What considerations should the regulators take into account in determining whether standards are necessary? Would the promulgation of standards help to broaden adoption of stablecoins?

We believe interoperability is a critical objective for the continued development and adoption of payment stablecoins, and we recognize that issuers are already taking meaningful steps to

address interoperability challenges through market-driven initiatives. These efforts include the development of common messaging standards, cross-chain bridging solutions, shared custody and settlement frameworks, and collaborations with infrastructure providers to enable seamless transfers across platforms and networks. In our view, these industry-led approaches are evolving rapidly and reflect the diversity of use cases and technological architectures within the digital asset ecosystem.

In this context, we respectfully suggest that regulators take into account the pace of innovation and the early stage of market development when considering whether to prescribe formal interoperability standards. Premature or overly prescriptive standard-setting could risk locking in technological approaches that may not prove optimal over time, potentially constraining innovation and limiting the ability of the market to converge on more efficient or secure solutions. We believe it would be important to allow sufficient flexibility for competing models to develop and mature before formalizing specific requirements.

Accordingly, we respectfully suggest that the OCC consider an approach that supports industry-led standards development, with regulatory recognition and coordination where appropriate, rather than top-down mandates at this stage. Such an approach would enable the market to evolve organically while still allowing regulators to encourage best practices, promote compatibility, and intervene where necessary to address clear risks or fragmentation. In our view, this framework would better support innovation, foster broader adoption, and ultimately lead to more robust and widely accepted interoperability solutions across the digital finance ecosystem.

Conclusion

The Wall Street Blockchain Alliance appreciates the OCC's thoughtful and deliberate effort in developing the proposed rule and looks forward to continued engagement throughout the rulemaking process. We stand ready to provide further insights to help refine and implement these important regulatory standards.

Respectfully submitted on behalf of contributing WSBA members, including:

Sonia Goklani – Chief Executive Officer, ClearTrack Inc.
Gary Kalbaugh – Partner, Cahill Gordon & Reindel LLP
Irina Marinescu - Partner, DLx Law PLLC
Ron Quaranta - Chairman, Wall Street Blockchain Alliance
R. Patrick Quinn, Esq. - Member, Wall Street Blockchain Alliance
Jessica Stumacher - Senior Regulatory Counsel; Member, Wall Street Blockchain Alliance