

June 2, 2026

VIA ELECTRONIC SUBMISSION

U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220
Attention: Office of the General Counsel
RIN 1505-AC90

RE: Notice of Proposed Rulemaking – GENIUS Act Broad-Based Principles for Determining Whether a State-level Regulatory Regime Is Substantially Similar to the Federal Regulatory Framework

Dear Office of the General Counsel:

The Crypto Council for Innovation (“CCI”)¹ respectfully submits these comments in response to the U.S. Department of the Treasury’s (“Treasury”) notice of proposed rulemaking (“Proposed Rule”) establishing broad-based principles for determining whether a State-level regulatory regime is substantially similar to the Federal regulatory framework under the Guiding and Establishing National Innovation for U.S. Stablecoins Act (the “GENIUS Act” or the “Act”). CCI appreciates Treasury’s thoughtful approach to implementing this historic legislation and the opportunity to comment on the Proposed Rule.

I. Introduction

The GENIUS Act represents landmark legislation and an opportunity for the United States to cement its global leadership in digital assets and payments innovation. It is critical that the Act be implemented faithfully to its text and core objectives. Under Section 4(c) of the GENIUS Act, a State qualified payment stablecoin issuer (“SQPSI”) with a consolidated total outstanding issuance value of not more than \$10 billion may opt into a State-level regulatory regime if that regime is “substantially similar to the Federal regulatory framework under this Act.”² States must certify that their regime meets the criteria for

¹ CCI is a global alliance of industry leaders within the digital assets industry committed to promoting the advantages of digital assets while showcasing their potential for market transformation. CCI’s members represent various sectors within the digital asset ecosystem and share a common objective: advocating for responsible global regulation of digital assets to unlock economic opportunities, enhance quality of life, promote financial inclusivity, safeguard national security, and counter illicit activities. CCI firmly believes that achieving these objectives necessitates well-informed, evidence-driven policy choices achieved through collaborative participation with regulators and policymakers.

² GENIUS Act § 4(c)(1)-(4).

substantial similarity established under the broad-based principles issued by Treasury pursuant to this rulemaking.³ The Stablecoin Certification Review Committee must either (i) approve a certification if it unanimously determines that the State-level regulatory regime meets or exceeds the standards and requirements in subsection 4(a), or (ii) deny the certification with a written explanation describing the basis for denial and any changes necessary for the State-level regulatory regime to meet or exceed those standards.⁴

In establishing this certification framework, Congress struck an important balance. On the one hand, the GENIUS Act provides a meaningful pathway for States to approve payment stablecoin issuers, reflecting the longstanding role States play in licensing and supervising State-chartered financial institutions. At the same time, the GENIUS Act's substantial similarity and "meets or exceeds" requirements ensure that minimum baseline protections are consistently met across Federal and State regimes. This balance is foundational to the Act's core objectives. The GENIUS Act's purpose is to promote the adoption of safe, U.S. dollar-backed stablecoins across the U.S. and the globe. Regulatory consistency is critical to supporting this goal by ensuring fungibility of all GENIUS Act-compliant stablecoins. A payment stablecoin issued under a State regime must be interchangeable with one issued under a Federal regime. Payment stablecoin users must be able to treat all GENIUS Act-compliant payment stablecoins as dollar-equivalents without needing to investigate State-specific regulatory distinctions. Implementing the substantial similarity principles consistent with promoting regulatory uniformity and fungibility will best allow innovation to thrive, protect consumers and the financial system, and ensure payment stablecoin issuers compete on the merits of their products and services, rather than through regulatory arbitrage. Treasury should make clear that this standard is not a loose comparability test, but rather grounded in the GENIUS Act's "meets or exceeds" standard. To "meet or exceed" the Federal framework, a State-level regulatory regime should be substantively uniform with the Federal baseline for all section 4(a) requirements, which cover the core protections for payment stablecoin issuers, including standards for reserves, redemptions, and risk-management. Treasury should also make clear that the Office of the Comptroller of the Currency's ("OCC") regulations and interpretations implementing the GENIUS Act serve as the regulatory baseline for the Federal regulatory framework when evaluating substantial similarity.

With these goals in mind, CCI offers targeted recommendations to the Proposed Rule and responses to certain questions.⁵ Specifically, CCI respectfully encourages Treasury to: treat all GENIUS Act section 4(a) requirements and definitions as uniform requirements; affirm that States may not expand the GENIUS Act's narrow yield prohibition; ensure the OCC's

³ See GENIUS Act § 4(c)(2).

⁴ GENIUS Act § 4(c)(5)(A).

⁵ Responses to certain questions are included in Appendix A.

GENIUS Act regulatory framework serves as the key federal regulatory baseline against which to evaluate substantial similarity; interpret a “State-level regulatory regime” to encompass all State laws, rules, and regulations affecting payment stablecoins and issuers, regardless of form or label; ensure that permissible reserve assets are consistent across the State-level regulatory regime and the Federal regulatory framework; and ensure State-qualified payment stablecoin issuers may operate nationwide without needing additional authorizations in other states. Treasury should also clarify that host States may not use consumer protection, licensing, approval, greenlisting, registration, or similar authorities to impose separate market-access conditions on federally supervised or out-of-State permitted issuers, and that State regimes may not delay or duplicate Federal oversight once an issuer transitions to the Federal framework.

II. Priority Issues and Recommendations

1. Broad-based Principles for Uniform Requirements

(a) Uniform Requirements

Section 4(a)(5)(A) of the GENIUS Act provides that the Stablecoin Certification Review Committee shall only approve a State-level regulatory regime if it “meets or exceeds the standards or requirements described in subsection (a).”⁶ The Proposed Rule would implement this requirement by grouping the standards and requirements into two distinct categories: uniform requirements⁷ and state-calibrated requirements.⁸ According to the Proposed Rule, Treasury interprets section 4(a) to grant States relatively more discretion with respect to State-calibrated requirements, while setting uniform standards that should be consistent across Federal and State regimes in other areas.⁹

⁶ See GENIUS Act § 4(a)(5)(A).

⁷ Treasury proposes to define “uniform requirement” as a requirement in section 4(a) of the Act (12 U.S.C. 5903(a)) that is applicable to a State qualified payment stablecoin issuer and for which the Act does not grant substantive discretion to a State payment stablecoin regulator. Proposed § 1521.2(b)(1)(i) provides that implementation of each of the uniform requirements in a State-level regulatory regime must be consistent with the Federal regulatory framework in all substantive respects.

⁸ Treasury proposes to define “State-calibrated requirement” to mean a requirement under section 4(a) of the Act (12 U.S.C. 5903(a)) that is applicable to a State qualified payment stablecoin issuer and for which the Act grants substantive discretion to a State payment stablecoin regulator to develop the State-level regulatory regime.

⁹ Proposed Rule, 91 Fed. Reg. 16,844, 16,845 (Apr. 3, 2026) (“Within section 4(a) (12 U.S.C. 5903(a)), the Act provides that States retain relatively more discretion in certain areas, such as capital standards (which we refer to as “State-calibrated requirements”), while setting uniform standards that should be consistent across Federal and State regimes in other areas, such as reserve requirements and anti-money laundering and sanctions program requirements (which we refer to as “uniform requirements”).

The practical significance of these distinctions is that the Stablecoin Certification Review Committee will evaluate substantial similarity of uniform and State-calibrated requirements based on asymmetric criteria. Specifically, a State must implement *uniform requirements* consistent with the Federal regulatory framework in all substantive respects, including so that there are no material deviations in definitions or interpretations of statutory terms and each uniform requirement is applied and construed in a manner that does not materially narrow, condition, or limit its scope compared to the Federal regulatory framework.¹⁰

In contrast, implementation of *State-calibrated requirements* must only be consistent with the applicable provisions of the Act and lead to regulatory outcomes that are at least as stringent and protective as the Federal regulatory framework.¹¹ On top of this general principle, Proposed Rule § 1521.4(a)-(h) outlines specific principles for various State-calibrated requirements, including provisions relating to reserve assets, redemption, rehypothecation, and activities.

CCI Recommendation

Treasury should treat all section 4(a) requirements as uniform requirements, rather than apply differing criteria across provisions. This approach would be most consistent with the GENIUS Act’s statutory text, which itself does not provide that States have substantive discretion to implement section 4(a) requirements. The GENIUS Act uses the word “discretion” twice, but in neither instance is it used to provide State-level regulatory regimes latitude in implementing any of the Act’s requirements, let alone those enumerated in section 4(a). Further, section 4(a)(5)(A) explicitly provides that a State-level regulatory regime must “meet or exceed” section 4(a)’s standards and requirements; it does not bifurcate the analysis or suggest certain 4(a) requirements are subject to lessened or heightened standards relative to others. In addition to ensuring alignment with the GENIUS Act text, treating all section 4(a) requirements as “uniform requirements” would better promote regulatory consistency and operational efficiency by ensuring all section 4(a) requirements are substantively uniform across State-level regulatory regimes and applying one standard across all section 4(a) requirements.

(b) Interest and Yield Prohibition

Section 4(a)(11) of the GENIUS Act prohibits a permitted payment stablecoin issuer (PPSI) 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 a payment stablecoin.

¹⁰ Proposed § 1521.3.

¹¹ Proposed § 1521.2(b)(1)(ii).

Importantly, this prohibition is narrowly tied to payments from a PPSI to a payment stablecoin holder. Under the Proposed Rule, section 4(a)(11) would be treated as a uniform requirement. This means that any interest or yield prohibitions proposed by a State regime must be consistent with the Federal regulatory framework in all substantive respects.¹²

CCI Recommendations

Treasury should affirm that the prohibition on interest or yield is a uniform requirement in the final rule and clarify that any state regime that attempts to expand the GENIUS Act’s narrow prohibition language should not be certified as substantially similar to the Federal regulatory framework. The language included in the GENIUS Act reflects a careful and deliberate policy choice to only prohibit yield or interest from an issuer to a payment stablecoin holder. Therefore, any state regime that attempts to broaden the statutory prohibition to reach conduct outside the text Congress enacted, including by expanding the prohibition to directly or indirectly capture third-parties, business-to-business commercial arrangements, or activity-based incentive programs, would directly and materially conflict with the Federal regulatory framework. Incentives are a critical part of payment networks. Allowing states to place payment stablecoins at a competitive disadvantage by limiting third-party incentives tied to their use would only serve to benefit legacy systems while undermining the GENIUS Act’s very objective of facilitating payments innovation and payment stablecoin adoption.

Treasury should also make clear that a State regime that is silent on yield would not be considered substantially similar, as this may lead to ambiguity and allow SQPSIs to compete against Federal qualified payment stablecoin issuers on yield in ways that Congress explicitly prohibited in section 4(a)(11).

2. Definitions

(a) GENIUS Act Definitions Generally

Under the Proposed Rule, it is unclear to what extent a State-level regulatory regime’s definitions must be consistent with the Federal regulatory framework. Definitions are not included in “Part A,” which maps Part 1521 Principles onto each GENIUS Act section and topic. However, Proposed Rule § 1521.3(b)(i) requires that, with respect to each uniform requirement, there be no material deviations in definitions or interpretations of statutory terms between the Federal regulatory framework and the State-level regulatory regime.

¹² See Proposed § 1521.2(b)(1)(i).

CCI Recommendation

Treasury should clarify that all GENIUS Act definitions are uniform requirements, not State-calibrated requirements. Allowing key definitions to materially diverge from the Federal regulatory framework would risk undermining the substantial similarity requirement by allowing States to craft regimes that may facially appear consistent with the corresponding federal requirement, while in practice reaching a materially different result. Treating definitions as uniform requirements is also firmly consistent with the Proposed Rule’s own recognition that divergent interpretations of statutory terms risk producing “an unworkable nationwide regulatory regime.”¹³ Extending that principle to all GENIUS Act definitions—not just those governing uniform requirements—closes a gap in the Proposed Rule and better effectuates Congress’s intent that State and Federal regulatory frameworks be substantially similar in substance, not merely in form.

(b) Payment Stablecoin

The definition of “payment stablecoin” is fundamental to the scope and application of the GENIUS Act. Specifically, the GENIUS Act’s requirements do not apply to every type of stablecoin—only those that satisfy the statutory definition of “payment stablecoin.”

The GENIUS Act defines a payment stablecoin as 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 is obligated to convert, redeem, or repurchase for a fixed amount of monetary value and represents or creates the reasonable expectation that it will maintain a stable value relative to a fixed amount of monetary value.¹⁴ By its plain terms, this functional and obligation-based definition captures only stablecoins that are (i) designed for payment use and (ii) issued by a centralized entity that is obligated to redeem and back such stablecoins by holding fiat-based reserves. Importantly, this definition does *not* capture decentralized stablecoins, such as those backed by digital assets and governed autonomously by smart contract protocols. This reading is reinforced by the Act’s core prohibition, which focuses on persons¹⁵ who issue *payment stablecoins* without being a PPSI. Further, section 14 of the GENIUS Act directs Treasury to study non-payment stablecoins and report to Congress with its analysis, reflecting Congressional intent to avoid imposing regulations that could

¹³ See Proposed Rule at 16849 (“To meet or exceed the standards and requirements described in section 4(a) of the Act (12 U.S.C. 5903(a)), a State must not interpret the uniform requirements in a way that substantively deviates from their meanings reflected in the Federal regulatory framework. Doing so would both risk an unworkable nationwide regulatory regime where the same statutory terms have been interpreted by regulators in multiple different and potentially inconsistent ways, and would allow for State-level regulatory regimes that do not meet or exceed the standards and requirements described in section 4(a) of the Act (12 U.S.C. 5903(a))”).

¹⁴ See GENIUS Act § 22 (providing the full definition of a payment stablecoin).

¹⁵ The term “person” means an individual, partnership, company, corporation, association, trust, estate, cooperative organization, or other business entity, incorporated or unincorporated. See § 2(24).

potentially stifle non-payment stablecoin innovation.¹⁶ Nowhere does the GENIUS Act prohibit or restrict persons from issuing or interacting with decentralized stablecoins.

CCI Recommendations

To the extent Treasury does not include all section 4(a) terms as uniform requirements, Treasury should at least include the definition of payment stablecoin as a uniform requirement in Appendix A.

Treasury should also make explicit that State-level regulatory regimes may not define the term “stablecoin” or “payment stablecoin” in a manner that would effectively prohibit, restrict, or impose compliance obligations on stablecoins outside of the definition of payment stablecoin, including decentralized stablecoins.

The definition of payment stablecoin is foundational to virtually every substantive aspect of the GENIUS Act, and treating it as a uniform requirement is critical to ensuring consistency between the Federal regulatory framework and the State-level regulatory regime. In turn, this will support fungibility between payment stablecoins issued by Federal qualified payment stablecoin issuers and SQPSIs by promoting consumer confidence and reliability that all payment stablecoins are functionally identical. A user should have confidence that they can use all GENIUS Act-compliant payment stablecoins in the same manner without needing to read a prospectus to navigate complex, State-specific distinctions.

Clarity on this point will also promote innovation by ensuring States are not able to use broader terminology or definitional ambiguity to restrict decentralized stablecoins directly or indirectly. Decentralized stablecoins offer meaningful consumer benefits. For example, where reserve collateral exists onchain, decentralized stablecoins’ reserves are free from off-chain custody risks, such as misappropriation, and their decentralized governance structure removes centralized control risks.¹⁷ Restricting these innovations through definitional overreach would deprive consumers of these benefits and chill development of technologies Congress deliberately chose not to regulate under the GENIUS Act.

¹⁶ See GENIUS Act § 14(a) (Directing a study on non-payment stablecoins). Non-payment stablecoins include “endogenously collateralized payment stablecoins” which are defined as “any digital asset—(1) the originator of which has represented will be converted, redeemed, or repurchased for a fixed amount of monetary value; and (2) that relies solely on the value of another digital asset created or maintained by the same originator to maintain the fixed price. *Id.* § 14(b).

¹⁷ Decentralized stablecoins also offer benefits in the form of reducing single points of failure by distributing issuance across a network, improving transparency by offering market participants and regulators the ability to have real-time, onchain visibility of reserve assets, and increasing efficiency through programmability and reduced reliance on intermediaries. Andreessen Horowitz, *Why We Need Decentralized Stablecoins* (Feb. 10, 2025), <https://a16zcrypto.com/posts/article/why-we-need-decentralized-stablecoins/>.

While States may impose requirements beyond what is included in the Federal regulatory framework in certain instances, additional requirements are not permitted where they conflict with the Act or modify the State-level regulatory regime such that it can no longer be reasonably viewed as substantially similar to the Federal regulatory framework.¹⁸ A State regime that expands the definition of “payment stablecoin” to capture decentralized stablecoins or in a way that impairs fungibility would materially conflict with the Act’s carefully drawn scope, impose obligations Congress chose not to impose, and undermine the GENIUS Act’s cohesive framework for ensuring consumer trust in payment stablecoins.

(c) Federal regulatory framework

The Proposed Rule defines “Federal regulatory framework” to mean, for purposes of evaluating a State-level regulatory regime under section 4(c): (1) the text of all relevant provisions of the Act; (2) OCC interpretations and regulations implementing the Act published in the Federal Register; (3) interpretations, regulations, or orders issued by Treasury with respect to implementing section 4(a)(5)¹⁹ and section 4(a)(6);²⁰ and (4) interpretations, regulations, and orders issued by the Board of Governors of the Federal Reserve System with respect to implementing the Act’s anti-tying provisions.

CCI Recommendations

CCI supports the Proposed Rule’s general approach of defining “Federal regulatory framework” to encompass both the GENIUS Act statute and the core regulatory framework implementing the Act. This approach most consistently tracks the language of the statute, which specifically references the GENIUS Act’s “regulatory” framework, not just the statute’s text in isolation. This approach also aligns with the GENIUS Act’s intent of ensuring a State-level regulatory regime, taken as a whole, is consistent with the Federal regulatory framework and all issuers operate under a uniform baseline of standards. A narrower definition limited to statutory text alone would risk divergence between State and Federal regimes by allowing SQPSIs to avoid regulatory requirements substantially similar to regulations that apply to Federal qualified payment stablecoin issuers.

CCI also strongly supports Treasury’s proposed approach of anchoring the Federal

¹⁸ Proposed § 1521.6 recognizes that States may impose requirements beyond what is included in the Federal regulatory framework and provides that such additional requirements are permissible so long as they do not conflict with the Act, part 1521, or other Federal law, and they do not modify the State-level regulatory regime such that it can no longer be reasonably viewed as substantially similar to the Federal regulatory framework.

¹⁹ Section 5(a)(5) addresses treatment of payment stablecoin issuers under the Bank Secrecy Act.

²⁰ Section 4(a)(6) addresses coordination with PPSIs with respect to blocking of property and technological capabilities to comply with lawful orders.

regulatory framework on the OCC’s implementation regulations and interpretations.²¹ If States are permitted to choose among different Federal regulators’ frameworks or combine discrete elements of each when crafting their own regimes, this would lead to regulatory fragmentation across States. It would also significantly weaken the Stablecoin Certification Review Committee’s ability to evaluate certifications and invite regulatory arbitrage between SQPSIs and Federal qualified payment stablecoin issuers. Treasury should therefore ensure the final rule adopts the OCC’s regulatory framework as the baseline for evaluating substantial similarity between a State-level regulatory regime and the Federal regulatory framework.

Treasury should also ensure the Federal regulatory framework captures GENIUS Act rules and regulations not covered by the OCC’s final rule, or by final rules promulgated by Treasury and the Board already identified in the definition, to the extent necessary to prevent any gaps between Federal and State regimes.

(d) State-level regulatory regime

The Proposed Rule defines “State-level regulatory regime” to mean, with respect to a particular State: (1) all statutes enacted by the State regarding payment stablecoins; (2) any regulations regarding payment stablecoins or that apply to a State qualified payment stablecoin issuer issued by a State payment stablecoin regulator of the State or another regulator of the State; and (3) any enforceable interpretations or guidance issued thereunder, only to the extent they are enforceable against an SQPSI.²²

CCI Recommendations

Treasury should clarify the scope and meaning of “State-level regulatory regime” in several meaningful ways.

First, Treasury should clarify that a State-level regulatory regime includes any State statute, rule, or regulation that imposes obligations on stablecoins or their issuers, regardless of whether it is specifically labeled as a “payment stablecoin” law, rule, or regulation. For example, if a State has a digital asset licensing law that covers a broad range of digital asset service providers, the provisions addressing payment stablecoins and payment stablecoin issuers should be considered part of the State-level regulatory

²¹ See, e.g., Proposed Rule at 16846 (“Treasury is proposing that, except for sections 4(a)(5), (a)(6), and (a)(8) of the Act (12 U.S.C. 5903(a)(5), (a)(6), and (a)(8)), for purposes of defining the Federal regulatory framework, the OCC’s interpretations and regulations published in the Federal Register should be the baseline for comparison to a State-level regulatory regime...A broader examination of the statutory structure strongly supports the use of the OCC’s interpretations and regulations for this purpose.”).

²² Proposed § 1521.1(b)(4).

regime.²³ Relatedly, while the GENIUS Act does not preempt certain consumer protection requirements,²⁴ States should not be able to mask payment stablecoin rules and regulations as “consumer protection” requirements to avoid the Act’s substantial similarity certification requirement. Treasury should interpret State-level regulatory regime broadly to capture the full set of requirements that govern payment stablecoin issuers in a given State, focusing on the substance and practical effect of a State’s laws and regulations rather than their formal labels. That same function-and-effect analysis should apply to host-State consumer protection laws. Generally applicable consumer protection laws should continue to apply where they do not conflict with or materially impair the Federal framework, but stablecoin-specific requirements that operate as licensing, authorization, token approval, greenlisting, registration, or other market-access conditions should not be treated as permissible consumer protection measures.

Second, Treasury should clarify how it will evaluate multiple State-level regulatory regimes. For example, under 23 CRR-NY 200.3(c)(1), “persons that are chartered under the New York Banking Law and are approved by the superintendent to engage in Virtual Currency Business Activity” are exempt from licensure under New York’s BitLicense regulations and are separately governed under New York Banking Law. Digital asset entities governed under New York Banking Law may be subject to many of the same requirements as BitLicense holders, but it is unclear whether Treasury would require the Stablecoin Certification Review Committee to conduct separate substantial similarity tests for each regime (e.g., BitLicense and New York Banking Law).

Third, Treasury should clarify that the definition of State-level regulatory regime includes any statutes, regulations, interpretations, or guidance related to foreign payment stablecoin issuers, including any prohibitions on foreign payment stablecoin issuers from issuing payment stablecoins in the State. Treasury should ensure that foreign payment stablecoin issuers are held to the same minimum standards as domestic issuers when assessing a State-level regulatory regime’s substantial similarity.

Fourth, Treasury should clarify that it will adopt a comprehensive approach for evaluating a State-level regulatory regime’s similarity to the Federal regulatory framework. A State regime should not be considered substantially similar merely because a select number of provisions align with the federal framework if other provisions fall below the required threshold or if the State regime omits required elements altogether. Treasury should make

²³ For example, Illinois’ state digital asset regulatory framework does not include a standalone chapter governing stablecoins. Instead, it captures stablecoins under a broader definition of “digital asset” which captures a wide range of tokens.

²⁴ See GENIUS Act § 7(f)(4) (“Except for State laws relating to the chartering, licensure, or other authorization to do business as a permitted payment stablecoin issuer, nothing in this Act shall preempt State consumer protection laws, including common law, and the remedies available thereunder.”).

clear that the omission of a required provision, especially a uniform requirement, is no less disqualifying than the inclusion of a non-conforming provision. Evaluating the State-level regulatory regime relative to each section of the GENIUS Act will help ensure there are no meaningful gaps between the State and Federal regulatory frameworks. To facilitate an efficient evaluation process, Treasury and the Stablecoin Certification Review Committee should consider establishing a certification form that allows for clear mapping of the Federal regulatory framework in one column and the State-level regulatory regime's corresponding provisions mapped in another column.

3. Broad-based Principles for State-Calibrated Requirements

Reserve Assets

Section 4(a)(1)(A) of the GENIUS Act requires payment stablecoin issuers to maintain identifiable reserves backing the outstanding payment stablecoins of an issuer on at least a 1 to 1 basis. The Act then enumerates permissible reserve assets, which include U.S. coins and currency; funds held as demand deposits; Treasury bills, notes, or bonds with a remaining maturity of 93 days or less or issued with a maturity of 93 days or less; money received under certain repurchase agreements and certain reverse repurchase agreements; and certain qualifying money market funds.²⁵

In addition to the enumerated reserve assets, the Act provides that permissible reserves may include “any other similarly liquid Federal Government-issued asset approved by the primary Federal payment stablecoin regulator, *in consultation with the State payment stablecoin regulator*, if applicable,” of the PPSI.²⁶ Under the Proposed Rule, the core reserve asset requirements are classified as uniform, while the allowance of additional approved reserve assets would be considered a State-calibrated requirement.

CCI Recommendation

Treasury should treat the reserve asset requirement in its entirety as a uniform requirement. Moreover, Treasury should require State-level regulatory regimes to approve the same reserve assets as those approved by the OCC under the Federal regulatory framework while prohibiting States from permitting any reserve assets not approved by the OCC under the Federal regulatory framework.

²⁵ See GENIUS Act § 4(a)(1)(A)(outlining reserves that a PPSI must maintain to back outstanding payment on an at least 1 to 1 basis).

²⁶ GENIUS Act § 4(a)(1)(A)(vii)(emphasis added).

Ensuring all PPSIs hold sufficiently liquid and safe reserve assets is critical to maintaining consistent 1 to 1 backing of outstanding payment stablecoins across issuer type. Uniformity of permissible reserve assets is also critical to ensuring consumer confidence and the financial stability of each issuer. If State-level regulatory regimes are permitted to approve reserve assets beyond those approved under the Federal regulatory framework, payment stablecoins issued under different regimes may be backed by materially different asset pools. In turn, this may undermine the market's and users' ability to confidently recognize all GENIUS-compliant payment stablecoins as safe dollar-backed equivalents.

The Proposed Rule's classification of additional approved reserve assets as a State-calibrated requirement would undermine the GENIUS Act's objective of ensuring that all payment stablecoins are safe, reliable, and uniformly backed. While GENIUS authorizes federal payment stablecoin regulators to consult with State regulators, it does not authorize State regulators to approve additional reserve assets. That consultative role does not confer independent approval authority on States. Accordingly, a State regime that permits reserve assets not approved at the Federal level by the OCC, or that omits reserve assets the OCC has approved, should not be certified as substantially similar to the Federal regulatory framework.

4. Reciprocity of State-Licensing Requirements

Section 7(f) of the GENIUS Act enables a SQPSI to operate across State lines without being subject to duplicative or conflicting host State licensing and authorization requirements. This section also clarifies that host State laws, including consumer protection laws, apply to an out-of-state State qualified payment stablecoin issuer only to the same extent they apply to an out-of-state Federal qualified payment stablecoin issuer.

CCI Recommendation

Treasury should make clear that this reciprocity framework applies by function and effect, not by label. A host State should not be able to invoke consumer protection, registration, approval, greenlisting, token review, notice-and-nonobjection, or similar authority to require a federally supervised issuer or out-of-state SQPSI to obtain separate State authorization before operating in that State. Such requirements would recreate the duplicative host-State licensing regime section 7(f) was designed to avoid.

Consistent with this principle, Treasury should make clear that evaluating substantial similarity under the Proposed Rule will include an assessment of whether a State-level regulatory regime is consistent with the passporting framework established by section 7(f). This framework is critical to ensuring that State qualified payment stablecoin issuers can

operate on a nationwide basis, while ensuring that core minimum requirements apply uniformly regardless of where an issuer is licensed. States should not be able to undermine GENIUS's state pathway by implementing regulations that effectively preclude an out-of-state SQPSI from operating in their state without obtaining an additional license or authorization to do business, or that give preference to in-state SQPSIs over other PPSIs. This clarification should apply equally to Federal qualified payment stablecoin issuers and out-of-State SQPSIs: neither should face separate host-State market-access conditions merely because a State characterizes those conditions as consumer protection or general digital asset regulation.

III. Conclusion

CCI appreciates the opportunity to comment on the Proposed Rule and Treasury's thoughtful approach to implementing this important aspect of the GENIUS Act. By implementing principles for evaluating substantial similarity that promote regulatory consistency, payment stablecoin fungibility, and reciprocity across States, Treasury will help establish the U.S. as a leader in payment stablecoin adoption and innovation. CCI looks forward to working with Treasury and serving as a resource throughout the rulemaking process.

Respectfully,



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APPENDIX A

CCI respectfully offers responses to certain select questions posed in the Proposed Rule.

Question 2:

Is the proposed definition of Federal regulatory framework appropriately scoped? Should the definition differ for purposes of section 4(a) (12 U.S.C. 5903(a)) and other sections of the Act? Should the definition be limited to the Act’s statutory text? Should the definition be based on the regulations and interpretations of more primary Federal payment stablecoin regulators rather than primarily the OCC’s (and in limited circumstances, Treasury’s and the FRB’s)? If so, should States be permitted to choose among the primary Federal payment stablecoin regulators’ frameworks for substantial similarity purposes?

- CCI supports Treasury’s proposed approach of defining “Federal regulatory framework” to include implementation regulations, not just the Act’s statutory text. This approach most consistently tracks the statutory text, which specifically references the GENIUS Act’s “regulatory” framework rather than the statute’s text in isolation, and aligns with the Congressional intent of ensuring all PPSIs operate under a uniform baseline of standards.
- CCI also strongly supports primarily basing the Federal regulatory framework definition on OCC regulations and interpretations. Treasury should not permit States to select among different Federal regulators’ frameworks or construct regimes comprising discrete elements of multiple Federal regulators’ frameworks. Anchoring the substantial similarity analysis to the OCC’s regulatory framework will ensure strong, uniform consumer protections, avoid regulatory fragmentation, and promote the administrability of the certification process by giving the Stablecoin Certification Review Committee a clear, consistent standard against which to evaluate each State’s certification.

Question 7:

What broad-based principles should be considered in determining whether a State-level regulatory regime is “substantially similar” to the Federal regulatory framework? Are the principles in proposed part 1521 appropriate? Should any additional principles be added? Are there any principles that should be excluded from consideration?

- Part 1521 outlines Treasury’s proposed broad-based principles for determining whether a State-level regulatory regime is substantially similar to the Federal regulatory framework. CCI supports Treasury’s recognition that States must

implement uniform requirements consistent with the Federal regulatory framework in all substantive respects. We agree that failure to do so would risk creating an unworkable and inconsistent nationwide regulatory regime. However, to further promote consistency with the statutory text, regulatory cohesion, and fungibility of GENIUS Act-compliant payment stablecoins, Treasury should treat all section 4(a) requirements as uniform requirements.

Question 10:

Should substantial similarity be assessed on a section-by-section basis or a holistic basis? That is, can a State-level regulatory regime be substantially similar to the Federal regulatory framework even if it is not substantially similar with respect to certain discrete requirements under section 4(a) of the Act (12 U.S.C. 5903(a))? Should there be a numerical score or other weighting system to determine substantial similarity?

- Treasury should assess substantial similarity on a section-by-section basis, rather than on a holistic basis. In particular, Treasury should ensure a State-level regulatory regime meets or exceeds each of section 4(a)'s requirements. Allowing a State to fall short of the federal floor on any section 4(a) requirement, but still be deemed substantially similar, would risk diluting those core protections and undermining the GENIUS Act's goal of uniform baseline standards. If there are certain provisions of a State's framework that prevent it from being considered substantially similar to the Federal regulatory framework, it should not be certified.
- Treasury should not adopt a numerical score, weighting methodology, or other point-based system. A scoring approach would risk creating unnecessary complexity, obscure whether particular statutory requirements have actually been satisfied, and risk implying that some core protections are less important than others.

Question 11:

How do the standards of substantial similarity and "meet or exceed" relate to one another? Is it appropriate to conclude, as in the proposed principles, that the State-level regulatory regime is substantially similar to the Federal regulatory framework only if it meets or exceeds the standards and requirements described in section 4(a) of the Act (12 U.S.C. 5903(a))?

- CCI agrees with the Proposed Rule's approach of evaluating substantial similarity based on the GENIUS Act and its implementing regulations, not solely the standards and requirements enumerated in section 4(a).

- Because the GENIUS Act applies the “meets or exceeds” standard to 4(a) in its entirety, Treasury should treat all section 4(a) requirements as uniform requirements. Ensuring uniformity across each of the GENIUS Act’s core requirements is critical to ensuring fungibility of payment stablecoins, regardless of whether they were issued by Federal or State qualified issuers. Only in evaluating substantial similarity for provisions outside of section 4(a), such as licensing and supervision, should Treasury provide States broader discretion. Treasury should state this principle expressly in the final rule: “meets or exceeds” means substantive uniformity with the Federal baseline for uniform requirements, not loose comparability, generalized equivalence, or a balancing test across unrelated provisions.

Question 16:

Should substantial similarity be measured based on the Federal regulatory framework in effect at the time of finalization of these broad-based principles, or at the time of each State’s certification, or at some other time? What should be the effective date of any final rule for part 1521 relative to final regulations issued as part of the Federal regulatory framework? How should Treasury’s principles account for any future changes to the Federal regulatory framework?

- Substantial similarity should be assessed at the time of each State’s certification. The effective date regarding when States must submit their certification to the Stablecoin Certification Review Committee should be considerate of state legislative and regulatory processes, which require meaningful time for deliberation and public consultation. It should also recognize that core GENIUS Act rulemakings are still underway across multiple Federal payment stablecoin regulators, with a final deadline of July 18, 2026. States will need sufficient time to evaluate the final rules, how they interrelate, and craft their regimes consistent with Treasury’s final rule.
- To the extent the Federal regulatory framework changes in the future, Treasury should provide States clear notice detailing how substantial similarity criteria will apply. For example, Treasury should specify whether the change will be treated as a uniform requirement or subject to alternative criteria.

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