September 21, 2026

Via Electronic Submission

Kaitlin Asrow
Acting Superintendent
C/O Ethan Goldstein
New York State Department of Financial Services
1 State Street
New York, NY 10004

Re: New York State Department of Financial Services Proposed New 23 NYCRR 202

Dear Acting Superintendent Asrow:

The Crypto Council for Innovation ("CCI") appreciates the opportunity to respond to the New York State Department of Financial Services ("NYDFS" or the "Department") proposed rule regarding authorized payment stablecoin issuers (the "Proposed Rule").[1]

I. Overview & Background

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 businesses and organizations from across the digital asset ecosystem, including payment stablecoin issuers, exchanges, investors, and depository institutions. CCI's members share a common objective: advocating for the 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 realizing these objectives necessitates well-informed, evidence-driven policies achieved through collaborative participation with regulators and policymakers.

In enacting the Guiding and Establishing National Innovation for U.S. Stablecoins Act (the "GENIUS Act" or the "Act"), Congress struck an intentional balance between providing a

[1] Proposed New York State Dep't of Fin. Servs., Authorized Payment Stablecoin Issuers (to be codified at 23 N.Y.C.R.R. pt. 202), https://www.dfs.ny.gov/system/filesnecessitates/documennecessitatests/2026/07/rp-fs-23nycrr202-text.pdf.

clear State pathway for payment stablecoin issuers, while at the same time ensuring minimum baseline requirements and alignment between Federal and State payment stablecoin regimes. Specifically, under section 4(c) of the GENIUS Act, a State qualified payment stablecoin issuer 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.[2] To confirm substantial similarity, a State must certify to the Stablecoin Certification Review Committee ("SCRC") that its regime meets the criteria for substantial similarity under broad-based principles to be established by Treasury under the GENIUS Act.[3] This certification process requires the State to show that its regulatory regime "meets or exceeds" the GENIUS Act's standards and requirements under section 4(a), which include financial stability and consumer protections relating to reserve assets, redemption policies, and permissible activities, among other core requirements.

Taken together, the GENIUS Act represents a carefully crafted balancing framework designed to achieve GENIUS's ultimate goal of facilitating responsible payment stablecoin adoption. A dual Federal and State pathway for payment stablecoin issuers promotes competition by supporting a healthy issuer market, while uniform baseline protections across Federal and State-regulated issuers promote market and consumer confidence that all GENIUS-compliant payment stablecoins are safe, efficient, and interchangeable as digital dollar equivalents.

Critically, the fundamental pieces of this framework currently remain unsettled. Treasury has proposed, but not yet finalized, broad-based principles for determining whether a State regulatory regime is substantially similar to the Federal regulatory framework. Under Treasury's proposal, the "Federal regulatory framework" would be defined to include not just the GENIUS Act itself, but also: (1) the Office of the Comptroller of the Currency's (the "OCC") implementing regulations and interpretations published in the Federal Register; (2) Treasury's rules regarding the Act's Bank Secrecy Act, anti-money-laundering, sanctions, customer-identification, and due-diligence requirements; and (3) the Board of Governors of the Federal Reserve System (the "Board") rules, interpretations, and orders implementing the Act's prohibition on tying payment stablecoin services to the purchase of other

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[2] *See* GENIUS Act § 4(c)(1)("Option for State-Level Regulatory Regime—Notwithstanding the Federal regulatory framework established under this Act, a State qualified payment stablecoin issuer with a consolidated total outstanding issuance of not more than $10,000,000,000 may opt for regulation under a State-level regulatory regime, provided that the State-level regulatory regime is substantially similar to the Federal regulatory framework under this Act.").

[3] Treasury Proposed Rule re: Broad-Based Principles for Determining Whether a State-level Regulatory Regime Is Substantially Similar to the Federal Regulatory Framework, 91 Fed. Reg. 16844 (proposed Apr. 3, 2026) (Hereinafter, "Treasury's Substantial Similarity Proposed Rule").

products or services.[4] None of these rules have been finalized. In addition, the OCC's proposed rule requires additional revisions to prove workable in its final form, and it will not be finalized in isolation. The GENIUS Act requires Federal payment stablecoin regulators—which include the OCC, the Federal Deposit Insurance Corporation ("FDIC"), the Board, and the National Credit Union Administration—to coordinate on crafting implementation rules. The Board has not yet proposed its framework, and the OCC and FDIC frameworks that remain under consideration reflect consequential differences in approach.[5] For example, the FDIC's proposal favors a per-issuer licensing approach compared to the OCC's, which contemplates requiring issuers to obtain a separate license for each brand of payment stablecoins.

In sum, core elements of the Federal regulatory framework currently remain unknown, substantive policy concerns remain unresolved across Federal payment stablecoin regulators, and the final framework is likely to differ meaningfully from current proposals. These circumstances make it exceedingly difficult, if not impossible, for a State to know whether its stablecoin regime will sufficiently align with the Federal regulatory framework and qualify as substantially similar. Accordingly, CCI respectfully encourages NYDFS to refrain from advancing its Proposed Rule at least until all of the Federal payment stablecoin regulators have finalized their rules, these rules have been harmonized, and Treasury finalizes its criteria for evaluating substantial similarity.

CCI offers targeted recommendations to better align the Proposed Rule with the GENIUS Act text and the Federal regulatory framework, while also highlighting important policy considerations. These recommendations include: adopting a per-issuer, rather than per-stablecoin or per-brand licensing approach; streamlining licensing requirements for non-issuer payment stablecoin companies; adopting a narrow prohibition on rewards focused only on payments made by issuers; ensuring issuers have sufficient flexibility to satisfy GENIUS's reserve asset backing requirements; aligning capital requirements with the OCC's Proposed Rule; protecting stablecoin users' privacy; and ensuring issuers comply with consumer protections, without undermining GENIUS's clear directive that qualified issuers may operate nationwide without needing multiple licenses.

[4] Treasury's Substantial Similarity Proposed Rule § 1521.1(c).
[5] *See e.g.*, GENIUS Act § 4(b)(3)("The Comptroller of the Currency shall, in coordination with other relevant regulators and consistent with section 13 of the GENIUS Act, issue such regulations and orders as necessary to ensure financial stability and implement section 4(a) of that Act.").

II. NYDFS Should Refrain from Advancing the Proposed Rule Until There is More Clarity on the Federal Regulatory Framework

As the Proposed Rule makes clear at the outset, its scope and purpose is to "reaffirm[] the department's payment stablecoin regulatory regime and align[] the regime with the Federal regulatory framework" under the GENIUS Act, as defined under Treasury's criteria for evaluating substantial similarity.[6] As noted above, Treasury has not yet finalized its criteria for evaluating substantial similarity and it remains unclear to what extent Treasury's final rule will mirror its initial proposal. Under its proposal, Treasury was considering applying different tests for evaluating substantial similarity across GENIUS Act provisions, with section 4(a) requirements alone being evaluated under two distinct tests distinguishing between "uniform requirements" and "state-calibrated requirements."[7] CCI and other commenters urged Treasury to treat all section 4(a) requirements as uniform requirements, rather than apply differing criteria across its subprovisions.[8] Should Treasury adopt this recommendation, NYDFS would need to revise material aspects of the Proposed Rule for the State regime to obtain SCRC certification.

The precise definition of "Federal regulatory framework" also remains uncertain until Treasury finalizes its rulemaking. Even assuming the definition centers on the OCC's implementation rule, it remains unclear what the OCC's final framework will look like. As the OCC continues to review the over 250,000 comments submitted on its proposed rule,[9] it must also coordinate with other Federal payment stablecoin regulators, including the FDIC and Board. Just as Federal and State issuers should be subject to uniform requirements, a consistent regulatory framework across Federal payment stablecoin regulators is critical to ensuring regulatory consistency and payment stablecoin fungibility. Accordingly, the OCC's final rule will likely differ meaningfully from its previously proposed

[6] Proposed Rule § 202.1 ("Scope and Purpose").

[7] Under Treasury Proposed Rule § 1521.3, uniform requirements must be implemented 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. Under Proposed § 1521.2(b)(1)(ii), State-calibrated requirements must be implemented 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.

[8] *See e.g.*, CCI Comment Letter to the U.S. Department of the Treasury on *GENIUS Act Broad-Based Principles for Determining Whether a State-Level Regulatory Regime Is Substantially Similar to the Federal Regulatory Framework* 3–4 (June 2, 2026) at 3-4, https://cryptoforinnovation.org/wp-content/uploads/2026/06/CCI-Comment-Letter-Treasury-Proposed-Rule-Re-Substantial-Similarity.pdf.

[9] As of September 20, 2026, the Federal Register webpage hosting the Proposed Rule states that 257,601 comments have been received, while also noting "[a]gencies review all submissions." https://www.federalregister.gov/documents/2026/03/02/2026-04089/implementing-the-guiding-and-establishing-national-innovation-for-us-stablecoins-act-for-the.

form as the agency implements public comment recommendations and coordinates with the other Federal payment stablecoin regulators to harmonize the Federal regulatory framework.

In light of these considerations and persisting fundamental uncertainties, NYDFS should refrain from advancing its Proposed Rule at least until Treasury finalizes its criteria for determining substantial similarity, the Federal regulatory framework is finalized, and Federal payment stablecoin regulators have harmonized that framework. Only then can the Department truly ensure its regime sufficiently aligns with the Federal regulatory framework. This approach will benefit NYDFS and issuers alike. By waiting until certification criteria and the Federal regulatory framework are clear and final, NYDFS will best position itself to submit a certification to the SCRC that may be approved on first submission. Issuers will be able to structure licensing applications and compliance frameworks based on settled rules and standards, removing delays and costs associated with having to retrofit rules and implementation based on outdated or updated rulemakings.

III. NYDFS Can Improve the Proposed Rule By Better Aligning It with the Federal Regulatory Framework and Making Targeted Improvements

To the extent NYDFS determines it is necessary to proceed with the Proposed Rule, CCI offers targeted feedback and recommendations aimed at better aligning the proposal with the OCC's Proposed Rule. CCI also highlights important policy considerations aimed at improving efficiency, mitigating risks, and protecting privacy, financial stability, and stablecoin users.

a. Improving the NYDFS Licensing Framework

i. Supporting a Per-Issuer and Multi-Stablecoin Issuance Framework

Proposed Rule section 202.3(f) ("Section 202.3(f)") would require an authorized payment stablecoin issuer to obtain the superintendent's prior approval before issuing any distinguishable brand of payment stablecoin.

CCI recommends that NYDFS align its licensing requirements with the Federal regulatory framework. Section 5 of the GENIUS Act itself establishes a licensing and approval process for *payment stablecoin issuers*, not for payment stablecoin *brands*.[10] While the OCC noted in its proposal that it was considering a per-stablecoin licensing approach,[11] the OCC has not adopted such a rule, and several commenters, including CCI, explained why this approach would be problematic.[12] Indeed, the OCC itself recognized that there were advantages to allowing payment stablecoin issuers to issue multiple brands of stablecoins in white label arrangements, including by allowing "parties to leverage the experience and expertise of a permitted payment stablecoin issuer and facilitate a broader range of stablecoins in the market."[13] Moreover, the FDIC's parallel proposal rejects a per-stablecoin approval framework, recognizing that any risks associated with multi-issuance may be better addressed through the GENIUS Act's requirement that issuers back each stablecoin with clearly identifiable reserves.[14] Thus, NYDFS should not require prior approval for each brand of stablecoin as part of its licensing framework, as this would be inconsistent with not only the GENIUS Act text itself, but also potentially the OCC and FDIC regulatory regimes.

Beyond this threshold alignment concern, NYDFS should also consider the policy concerns raised by Section 202.3(f). By requiring an issuer to obtain the superintendent's prior approval for each brand of payment stablecoin it seeks to issue, Section 202.3(f) effectively transforms the GENIUS Act's per-issuer licensing framework into a per-stablecoin licensing

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[10] *See* GENIUS Act § 5 (directing each primary Federal payment stablecoin regulator to establish processes and frameworks for *entities* seeking to issue payment stablecoins, rather than for approval of payment stablecoins themselves) (emphasis added).

[11] *See* OCC Proposed Rule at 10213 (explaining that the OCC was considering restricting each permitted payment stablecoin issuer to a single brand of payment stablecoin, while offering a streamlined approval process for affiliates of already-approved issuers).

[12] *See* CCI Response to the OCC's Proposed Rule at 6-7 ("As the OCC itself notes, allowing an issuer to issue multiple brands of a payment stablecoin that may be co-branded with a named partner in a white label arrangement allows parties to leverage the experience and expertise of a PPSI and facilitate a broader range of stablecoins in the market. Restricting issuers to one brand would hurt the business models of payment stablecoin infrastructure providers that have invested significant resources in building up the expertise and operational capabilities necessary to issue payment stablecoins in a safe and responsible manner"), https://cryptoforinnovation.org/wp-content/uploads/2026/05/CCI-Comment-Letter-OCC-NPRM-Re_-GENIUS-Act-Implementation.pdf. *See* Letter from a16z to OCC re: *Notice of Proposed Rulemaking: Implementing the GENIUS Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the OCC* at 3-7 (May 1, 2026) (explaining why a one-issuer, one-brand model would introduce unnecessary friction and expense, while also reducing market competition and limiting innovation). https://dwt2zme5yrom6.cloudfront.net/uploads/2026/05/Response-to-the-OCC-NPRM-implementing-GENIUS-Act.docx.pdf.

[13] OCC Proposed Rule at 10213.

[14] *See* FDIC Proposed Rule at 18540-41, https://www.fdic.gov/board/federal-register-notice-genius-act-requirements-and-standards-fdic-supervised-permitted (explaining that a PPSI may issue multiple brands of distinct payment stablecoin but would be required to maintain required reserves with assets that can be separately identified as backing a particular brand of distinct payment stablecoin and each brand of payment stablecoin would independently comply with proposed § 350.4(a)).

framework. This approach risks significantly impeding market innovation and consumer choice by disrupting established business models in which one permitted payment stablecoin issuer ("PPSI") issues multiple brands of stablecoins that may be co-branded with a named partner in a white label arrangement. As the OCC recognized, restricting issuers to one brand could prevent businesses from entering into white label arrangements that allow them to leverage a PPSI's experience and expertise, without having to take on the significant administrative, regulatory, and operational costs necessary to issue a payment stablecoin on their own. In turn, fewer payment stablecoin products may enter the market, limiting competition and potential for innovation.

A per-stablecoin or per-brand approach may also lead issuers to allocate resources based on the strategic importance of a given brand or stablecoin, leading to inconsistent risk management standards. Conversely, a per-issuer approach incentivizes issuers to establish a highest-common bar for risk management and operational standards to apply across all payment stablecoins issued under that license. To the extent the NYDFS is concerned that multi-stablecoin issuance may lead to risk-management concerns, these concerns can more effectively be addressed through clearly identifiable reserve policies, similar to the approach taken by the FDIC's proposed rule. Indeed, section 202.6 already requires issuers to ensure "reserves shall be separately identifiable by each brand of payment stablecoin[.]"[15]

ii. Modernizing & Streamlining Licensing for Non-Issuer Entities

While CCI recognizes the Proposed Rule is directly aimed at establishing a licensing framework for authorized payment stablecoin *issuers*, CCI encourages NYDFS to explore developing a fit-for-purpose framework for licensing *non-issuer entities* that provide payment stablecoin services, but are not involved in payment stablecoin issuance and do not warrant the full panoply of requirements and review under a BitLicense. As the GENIUS Act and the Proposed Rule recognize, certain digital asset firms, like stablecoin issuers, warrant bespoke licensing regimes tailored to their unique risks and activities. In the case of stablecoin issuers, regulations are appropriately focused on addressing risks related to ensuring a payment stablecoin maintains a stable value relative to the U.S. dollar, timely

[15] *See* OCC's Proposed Rule 12 C.F.R. § 15.11(a) (requiring that a PPSI maintain identifiable, segregated reserve assets with a total fair value that equals or exceeds the outstanding issuance value (measured at par) of its payment stablecoins). *See also* CCI OCC Response at 6-7 ("To the extent the OCC seeks to address concerns regarding reserve confusion or run risk, it may do so through clarifying application of the GENIUS Act's requirements in the context of multi-brand issuance—not by adding a new registration requirement not found in statute. For example, the OCC could require public disclosure of the PPSI behind each brand so holders can always identify the regulated entity responsible for redemption. The OCC also could require that reserve assets for each brand be identifiable and segregated at the brand level to address any commingling concerns. This would address concerns without adding significant administrative burdens and duplicative oversight requirements of requiring a separate license for each brand.").

satisfaction of redemption requests, and maintaining financial stability for issuers and the financial system. By contrast, non-issuer companies focused narrowly on supporting payment stablecoin use generally do not present similar issuer-specific risks. They are also unlikely to present the same risks as digital asset intermediaries engaging with the broader range of more volatile digital assets.

With these considerations in mind, NYDFS may consider establishing an expedited review process for BitLicense applications for companies using payment stablecoins that meet lower-risk criteria and are already licensed and supervised by NYDFS for other regulated activity. Alternatively, NYDFS should consider exempting companies using payment stablecoins from the BitLicense and instead regulate such entities under a money transmitter license tied to stablecoin-specific conditions, such as restrictions that the entity may only engage with GENIUS-compliant stablecoins. A licensing framework tailored to entities engaged in stablecoin services outside of direct issuance would likely better protect New York citizens by addressing risks most relevant to those companies, while also offering businesses a significantly streamlined licensing process relative to the current BitLicense approval processes. Appropriately structured, a tailored framework would help retain and attract businesses at the forefront of delivering safer, faster, and cheaper payment tools, helping cement New York leadership in the future of digital finance and lowering costs for New Yorkers. This would also further position New York and the NYDFS as a forward-leaning, innovation-friendly State, and reinforce New York's role as a center of digital asset growth.

b. Prohibition on Issuers Paying Yield

Section 202.4(f) of the Proposed Rule prohibits an authorized payment stablecoin issuer from violating the GENIUS Act's prohibition on paying interest or yield solely in connection with holding a payment stablecoin.[16]

CCI strongly urges the NYDFS to implement GENIUS's narrow prohibition on yield faithful to the text. This means ensuring the prohibition only applies to payment stablecoin issuers. Congress made a deliberate and specific choice to prohibit only payments made by *payment stablecoin issuers* to *holders* of a payment stablecoin. The GENIUS Act does not include third-party arrangements, affiliate relationships, or business-to-business transactions within the scope of this prohibition. Any proposal that seeks to broaden the prohibition beyond issuers paying yield or interest solely in connection with the holding,

[16] Proposed Rule 202.4(f) ("Prohibition on interest. An authorized payment stablecoin issuer shall comply with section 4(a)(11) of the GENIUS Act (12 U.S.C. § 5903(a)(11)) and 12 C.F.R. § 15.10(c)(4).").

use, or retention of payment stablecoins would impermissibly expand the statute beyond its unambiguous text and frustrate Congress's deliberate objective of incentivizing payment stablecoin adoption.

c. Reserve Asset Requirements for Issuers

Section 202.6(a) of the Proposed Rule outlines requirements for issuers to back payment stablecoins with highly liquid reserve assets on a one-to-one basis.

i. Custody

Section 202.6(a)(2) provides that an authorized payment stablecoin issuer must obtain the prior approval of the superintendent to self-custody reserves or hold reserves within the custody of a non-insured depository institution.

CCI shares NYDFS's interest in ensuring payment stablecoin reserves are held pursuant to robust custody standards. However, CCI respectfully urges NYDFS to refrain from adopting Proposed § 202.6(a)(2). The GENIUS Act established detailed supervisory and regulatory requirements for entities providing custodial or safekeeping services for payment stablecoin reserves.[17] That framework does not limit permissible custodians to insured depository institutions ("IDIs"), nor does it require a PPSI to obtain prior regulatory approval before self-custodying reserve assets or engaging an eligible non-IDI custodian. The OCC's Proposed Rule and the FDIC's parallel proposal do not impose a comparable prior-approval requirement. Accordingly, requiring an issuer to seek NYDFS approval before engaging any non-IDI eligible financial institution to custody reserves, or before self-custodying reserves, could narrow the range of permissible custody options relative to the Federal regulatory framework. This approach would also weaken competition and potentially increase concentration risk by limiting the universe of available custodians that an NYDFS-regulated issuer may readily choose from, even where a custodian otherwise satisfies applicable federal eligibility, safeguarding, and risk-management requirements.

ii. Minimum Insured Deposit Holding Requirements

Section 202.6(d) would require an authorized payment stablecoin issuer with an outstanding issuance value of $25 billion or more to maintain at least 0.5 percent of its reserve assets in the form of insured deposits or insured shares at an IDI on each business day, subject to a cap of $500 million.

[17] GENIUS Act § 10.

While CCI appreciates the NYDFS attempting to track the OCC's proposed rule in this regard, NYDFS should carefully consider the important policy implications and operational realities of this approach. As an initial matter, the FDIC has made clear in its own proposal and in Chairman Hill's previous remarks[18] that payment stablecoin reserve assets held as deposits will not be treated as insured to a stablecoin holder; instead they will only be insured as corporate deposits.[19] As a result, the minimum insured-deposit requirement would provide limited direct benefit to payment stablecoin holders under the FDIC's approach.

At the same time, compliance would be operationally impracticable. An issuer with $25 billion in outstanding issuance value, for example, would need to maintain $125 million in insured deposits, requiring roughly 500 separate bank accounts to stay within the FDIC's proposed deposit insurance limits, exponentially increasing the operational complexity to authorized payment stablecoin issuers. This requirement would add unnecessary risk by layering on complexity to already robust reserve asset diversification requirements under Proposed 202.6.[20]

Further, requiring reserve assets to remain locked in IDI deposits could increase redemption risk during a banking sector stress event. If an issuer is unable to withdraw certain reserve assets from an IDI subject to bank failure, withdrawal freezes, or FDIC resolution delays, a PPSI may be unable to timely liquidate those reserves to meet redemption demand, adding friction at a time when stablecoin issuers would most need to move quickly to maintain the one-to-one peg.

iii. Effective Remediation Policies for Reserves & Redemptions

Proposed Rule § 202.6(g) outlines policies to address instances where an authorized payment stablecoin issuer fails to meet reserve asset requirements. These proposed safeguards include: notifying the superintendent that reserve assets have fallen below the required minimum; an immediate prohibition on new issuance (except as necessary to

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[18] FDIC Chairman Travis Hill, "An Update on Reforms to the Regulatory Toolkit," (Mar. 11, 2026), https://www.fdic.gov/news/speeches/2026/update-reforms-regulatory-toolkit.
[19] *See* GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions, 91 Fed. Reg. 24,786, 24,805–06 (proposed Apr. 10, 2026) (to be codified at 12 C.F.R. pt. 330) (proposing to provide that deposits held as reserves for a payment stablecoin are insured to the permitted payment stablecoin issuer under the rules applicable to corporate deposits, rather than to payment stablecoin holders on a pass-through basis).
[20] Proposed § 202.6(c) (incorporating the OCC's proposed reserve asset diversification requirements by reference to 12 C.F.R. § 15.11(c)).

facilitate the transfer of payment stablecoins from one distributed ledger to another and provided the net outstanding issuance value does not increase); and, if the failure persists for 15 consecutive business days, beginning liquidation of reserve assets and redemption of outstanding issuance.[21]

CCI supports the NYDFS requiring payment stablecoin issuers to notify the superintendent of any reserve shortcomings to support compliance with the GENIUS Act's fundamental 1:1 reserve asset backing requirement. CCI also appreciates that Proposed § 202.6(g) mirrors policies proposed by the OCC in Proposed 12 C.F.R. § 15.11(g). However, CCI encourages the NYDFS to reconsider this proposal to ensure that measures intended to cure reserve deficiencies do not inadvertently elevate the very risks they are intended to address. Specifically, a blanket and immediate public pause may be perceived as a stress signal to the market. This may in turn trigger rapid and large withdrawal requests, even when the reserve shortfall is temporary, readily curable, and does not weaken the issuer's ability to satisfy customer redemptions. Ultimately, NYDFS's north star should be structuring reserve requirements to preserve issuer financial stability and timely redemptions during times of financial stress.

d. Capital Requirements

Proposed Section 202.8 sets forth capital and operational backstop requirements for authorized payment stablecoin issuers. While this section partially tracks the OCC's Proposed Rule approach, it also provides that "such capital requirements shall be at least as stringent and protective" as the OCC's Proposed Rule's requirements.[22] Proposed Section 202.8(c) also empowers the superintendent to establish other required capital thresholds or metrics, including additional types of capital or risk-based capital requirements.

Proposed § 202.8(c) risks allowing the Federal regulatory framework and New York's framework to diverge significantly by granting the superintendent broad discretion to establish additional capital thresholds or metrics, including capital or risk-based capital requirements. Moreover, Treasury's Substantial Similarity Proposed Rule classified State capital requirements as "State-calibrated requirements" and therefore subject to the "at least as stringent" standard and not the stricter "uniform requirements" standard. Commenters, including CCI, urged Treasury to make all GENIUS Section 4(a) requirements

[21] Proposed Rule 202.6(g)(also prohibiting issuers from charging customers a fee to redeem their payment stablecoin during any time during liquidation).
[22] Proposed Rule § 202.8(a).

uniform requirements.[23] CCI therefore recommends that NYDFS recalibrate Section 202.8 to ensure New York's capital requirements and operational backstops remain substantially similar under Treasury's final rule criteria. Relatedly, this will require ensuring capital and operational backstops sufficiently align with the OCC's Proposed Rule, which itself should align with the requirements set by all Federal payment stablecoin regulators.

e. Privacy

Proposed Section 202.11(b) proposes to define "nonpublic information" to include "all information identified under section 500.1(k) of Title 23, as well as all information (i) provided by a customer to an authorized payment stablecoin issuer to obtain a financial product or service; (ii) about a customer resulting from any transaction involving a financial product or service between the authorized payment stablecoin issuer and a customer; and (iii) otherwise obtained by the authorized payment stablecoin issuer in connection with providing a financial product or service to a customer."[24] This definition does *not* include publicly available information, unless that information, when combined with other information, would reveal the identity of a customer or would enable access to the customer's account.[25] In turn, publicly available information would include all information identified under section 500.1(o) of Title 23, as well as information that a person has a reasonable basis to believe is lawfully made available to the general public from a distributed ledger.

[23] *See, e.g.*, Letter from a16z to U.S. Dep't of the Treasury 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* at 9-13 (June 2, 2026) (explaining why Treasury's final rule should promote the fungibility of stablecoins and a level playing field across PPSIs by making all relevant sections of the GENIUS Act uniform requirements), https://dwt2zme5yrom6.cloudfront.net/uploads/2026/06/Final-%E2%80%94-Andreessen-Horowitz-a16z-response-to-the-Department-of-the-Treasury-6.2.2026-.pdf

[24] Proposed Section 202.11(b)(2). Section 500.1(k) of Title 23 refers to NYDFS's Cybersecurity Regulation which defines nonpublic information as all electronic information that is not publicly available information and is: (1) business related information of a covered entity the tampering with which, or unauthorized disclosure, access or use of which, would cause a material adverse impact to the business, operations or security of the covered entity; (2) any information concerning an individual which because of name, number, personal mark, or other identifier can be used to identify such individual, in combination with any one or more of the following data elements: (i) social security number; (ii) drivers' license number or non-driver identification card number; (iii) account number, credit or debit card number; (iv) any security code, access code or password that would permit access to an individual's financial account; or (v) biometric records; (3) any information or data, except age or gender, in any form or medium created by or derived from a health care provider or an individual and that relates to: (i) the past, present or future physical, mental or behavioral health or condition of any individual or a member of the individual's family; (ii) the provision of health care to any individual; or (iii) payment for the provision of health care to any individual."

[25] *Id.*

CCI encourages NYDFS to clarify that its definition of “nonpublic information” aligns with the OCC’s Proposed Rule’s definition. As currently drafted, the definition appears to conflict with the OCC’s proposed definition by drawing in references to NYDFS’s state cybersecurity law which are not contemplated under the OCC’s definition. Clarification and alignment are important to ensure New York and the Federal regulatory framework do not impose overlapping or inconsistent obligations on payment stablecoin issuers.

CCI also encourages NYDFS to clarify that authorized payment stablecoin issuers should be required to assess whether their blockchain infrastructure exposes customer transaction data publicly and implement proportionate technical controls. To the extent an issuer is unable to protect customer information through such controls, clear, prominent disclosures should be required to inform the customer of the risks related to public visibility of their transactions.

f. Consumer Protection

Proposed section 202.10(i) would require all authorized payment stablecoin issuers to appropriately monitor and validate compliance with any applicable Federal or State laws relating to consumer protection.

CCI supports NYDFS promoting consumer protections, including by ensuring payment stablecoin issuers are unable to circumvent applicable consumer protection laws. Indeed, section 7(f) of the GENIUS Act explicitly preserves the application of State consumer protection laws to both Federal and State-qualified issuers, unless those laws govern chartering, licensure, or other authorization to do business.[26]

Consistent with GENIUS’s directive, CCI encourages NYDFS to clarify that Proposed § 202.10(i)’s reference to “State laws” refers directly to New York consumer protection laws, rather than the consumer protection laws of every other State. Similarly, NYDFS should confirm that compliance with any States’ consumer protection laws does not serve as an additional licensing or operational condition on Federally-qualified or SQPSIs operating in New York. Such clarifications would ensure consistency with the GENIUS Act’s text and objective of ensuring all consumers remain adequately protected under Federal and State baseline requirements, while still allowing issuers to operate nationwide under one license.

[26] GENIUS Act § 7(f).

IV. Conclusion

CCI appreciates NYDFS's continued leadership in developing thoughtful payment stablecoin regulation and the opportunity to comment on the Proposed Rule. As detailed above, CCI respectfully urges NYDFS to delay advancing the Proposed Rule until Treasury's Substantial Similarity Proposed Rule is final, the Federal regulatory framework is final, and regulators harmonize the Federal regulatory framework. This approach will best ensure New York's regime can be crafted in clear alignment with a settled Federal regulatory framework. When NYDFS does proceed with the Proposed Rule, CCI urges the Department to adopt the targeted revisions outlined above to ensure New York's framework remains consistent with the GENIUS Act and its objective of fostering responsible payment stablecoin innovation and adoption. CCI welcomes the opportunity to discuss these comments further and to serve as a resource to NYDFS as it continues to refine its approach to payment stablecoin regulation.

Respectfully submitted,

Ji Hun Kim
Chief Executive Officer
Crypto Council for Innovation

George S. Leonardo
Policy Counsel
Crypto Council for Innovation