

May 1, 2026

Office of the Comptroller of the Currency  
400 7th Street, SW, Suite 1E-216  
Washington, DC 20219  
Attn: Chief Counsel's Office  
RIN 1557-AF41

**VIA ELECTRONIC SUBMISSION**

**RE: Notice of Proposed Rulemaking — 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 (Docket ID: OCC-2025-0372)**

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Dear Office of Chief Counsel:

The Crypto Council for Innovation (“CCI”) respectfully submits these comments in response to the Office of the Comptroller of the Currency’s (“OCC”) Notice of Proposed Rulemaking (the “Proposed Rule”) implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act (the “GENIUS Act”).

By way of 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 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.

CCI appreciates the opportunity to comment on the OCC’s comprehensive and thoughtful Proposed Rule. We also recognize and appreciate the OCC’s efforts to provide clarity to the digital asset market, including through Interpretive Letters 1183, 1186, and 1188, which clarified

the scope of digital asset-related activities that OCC-regulated institutions may engage in.<sup>1</sup> The GENIUS Act represents landmark legislation for the U.S. digital asset industry and an opportunity to cement American leadership in digital payments and strengthen the U.S. dollar, while protecting the financial system and consumers. CCI respectfully urges the OCC to implement the GENIUS Act in a manner consistent with these overarching legislative goals.

CCI submits targeted feedback to the Proposed Rule, including recommendations to: align the Proposed Rule’s prohibition on yield and interest with the GENIUS Act’s statutory text; clearly permit permitted payment stablecoin issuers (“PPSI”) to issue multiple brands of payment stablecoins and their consolidated affiliates to issue like-branded payment stablecoins under one OCC license; provide PPSIs sufficient flexibility to satisfy reserve asset, redemption, and risk management requirements in a safe, responsible, and technology-neutral manner; protect payment stablecoin user privacy; ensure capital requirements are appropriately tailored to a PPSI’s risk profile; promote U.S. leadership by providing guidance for multi-jurisdictional issuance; and clarify key definitions. This letter addresses each of those topics in turn and includes an “Appendix” containing specific responses to certain of the questions raised in the Proposed Rule.

## PRIORITY ISSUES AND RECOMMENDATIONS

### I. Prohibition on Payment of Yield or Interest by the PPSI (Proposed § 15.10(c)(4))

#### A. Rebuttable Presumption Construct

The Proposed Rule would effectively codify Section 4(a)(11)<sup>2</sup> of the GENIUS Act in proposed § 15.10(c)(4) by prohibiting a PPSI from paying the holder of any payment stablecoin any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of such payment stablecoin.<sup>3</sup> The OCC proposes to establish a rebuttable presumption under which the OCC would presume a PPSI violated this general prohibition if: (A) the PPSI has a contract, agreement, or other arrangement with an

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<sup>1</sup> Off. of the Comptroller of the Currency, Interpretive Letter 1183, *OCC Letter Addressing Certain Crypto-Asset Activities* (Mar. 7, 2025) (reaffirming that crypto-asset custody, distributed ledger, and stablecoin activities discussed in prior OCC Interpretive Letters are permissible and rescinding OCC Interpretive Letter 1179); Off. of the Comptroller of the Currency, Interpretive Letter 1186, *Authority of National Banks to Hold Crypto-Assets as Principal and Pay Crypto-Asset Network Fees as Incidental to a Permissible Banking Activity* (Nov. 18, 2025) (confirming that a national bank may pay network fees on blockchain networks to facilitate otherwise permissible activities and hold, as principal, certain crypto-assets on balance sheet); Off. of the Comptroller of the Currency, Interpretive Letter 1188, *National Bank Engagement in Riskless Principal Transactions in Crypto-Assets* (Dec. 9, 2025) (confirming that a national bank may engage in riskless principal crypto-asset transactions as part of the business of banking).

<sup>2</sup> 12 U.S.C. § 5903(a)(11).

<sup>3</sup> See Proposed § 15.10(c)(4). Proposed § 15.31(c) applies the same prohibition and rebuttable presumption to a foreign payment stablecoin issuer (“FPSI”) registered with the OCC.

affiliate of the issuer or a related third party to pay interest or yield to the affiliate or related third party, and (B) the affiliate or related third party (or affiliate of that related third party) has a contract, agreement, or other arrangement to pay interest or yield (whether in cash, tokens, or other consideration) to a holder of any payment stablecoin issued by the PPSI solely in connection with the holding, use, or retention of such payment stablecoin.<sup>4</sup> For purposes of this rebuttable presumption, a related third party means both a person offering to pay interest or yield to payment stablecoin holders as a service and any person that the issuer issues payment stablecoins on the person's behalf or under the person's branding.<sup>5</sup>

In the GENIUS Act, Congress made a deliberate and specific choice to prohibit 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. The OCC's proposed rebuttable presumption transforms a targeted prohibition on issuer payments to retail holders into a sweeping prohibition that could capture a broad range of commercial arrangements between the issuer and third parties. The OCC adds further uncertainty to the scope of the prohibition by reserving the right to evaluate any arrangement outside the presumption on a case-by-case basis.<sup>6</sup>

Such expansion is inconsistent with the plain text of Section 4(a)(11). As the Supreme Court teaches, “[s]tatutory construction must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose.”<sup>7</sup> Here, the text is crystal clear: the prohibition on the payment of interest or yield is expressly limited to payments *from* an issuer *to* a holder.

That the OCC is authorized to issue regulations to administer Section 4 is not a basis to expand the yield prohibition beyond Congress's intent. Specifically, Section 4(h) provides that the OCC may issue regulations “to carry out the requirements of this section, including to establish conditions, and to prevent evasion thereof.”<sup>8</sup> The proposed rebuttable presumption expressly relies on this provision and specifically the clause “to prevent evasions thereof.”<sup>9</sup> Yet that language is nested within a general rulemaking provision and mirrors other statutory grants

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<sup>4</sup> Proposed § 15.10(c)(4)(i). If a PPSI issues a payment stablecoin on behalf of, or under the brand of, a third party (i.e., a white-label arrangement), the rebuttable presumption applies only to holders of that specific branded stablecoin, not to holders of other payment stablecoins the PPSI issues under its own brand or other arrangements. Proposed § 15.10(c)(4)(i)(C).

<sup>5</sup> See Proposed § 15.10(c)(4)(ii).

<sup>6</sup> Proposed Rule at 10212 (“Other arrangements that are not captured by the presumption may also violate the statutory prohibition or constitute an evasion thereof. The OCC would assess those arrangements on a case-by-case basis but does not believe that it is necessary to include other arrangements within the rebuttable presumption at this time.”).

<sup>7</sup> See, e.g., *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 194 (1985).

<sup>8</sup> 12 U.S.C. § 5903(h).

<sup>9</sup> See Proposed Rule at n.46.

of rulemaking authority to federal banking regulators in Title 12.<sup>10</sup> It does not support the OCC's position here, i.e., that Congress authorized the agency to materially expand the yield prohibition beyond the two parties specifically identified in the statute in the name of preventing "evasion."

As a policy matter, the proposed rebuttable presumption would materially increase issuer liability risk by holding issuers responsible for downstream activities by an exchange, wallet, payment network, market maker, custodian, or distribution partner. Indeed, the rebuttable presumption creates a de facto evidentiary and reporting burden on the issuer to prove a negative even where the circumstances giving rise to the presumption are outside the issuer's control. That problem is especially acute for bona fide unaffiliated downstream rewards or payments funded and controlled entirely by third parties where there would be no documentation that could be furnished.

Whether restrictions on yield should extend to commercial arrangements in addition to those between an issuer and a holder is a matter for Congress. Indeed, Congress is currently considering legislation to potentially address this. Accordingly, the rebuttable presumption exceeds the OCC's existing authority and front-runs Congress, particularly by proposing to prohibit arrangements where a third party pays yield or interest in connection with the *use* of a payment stablecoin. Incentives are a critical part of payment networks. To place payment stablecoins at a competitive disadvantage by limiting third-party incentives tied to their use would only serve to benefit legacy systems at the expense of innovation, consumer choice, and consumer benefits.

### *Recommendations*

1. The OCC should remove the rebuttable presumption construct.
2. In the alternative, and at the very least, the OCC should:
  - a. Ensure "solely" remains in proposed § 15.10(c)(4)(i)(B) to clearly limit the scope of prohibited arrangements.
  - b. Strike "use" from the rebuttable presumption in Proposed § 15.10(c)(4)(i)(B). While the GENIUS Act's core prohibition text includes "use," this was directly tied to yield or interest paid by the

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<sup>10</sup> See, e.g., 12 U.S.C. § 3909(a) ("[E]ach appropriate Federal banking agency shall prescribe rules or regulations or issue orders as necessary to effectuate the purposes of this chapter and to prevent evasions thereof"); 12 U.S.C. § 1867(d) ("[T]he appropriate Federal banking agencies are authorized to issue such regulations and orders as may be necessary to enable them to administer and to carry out the purposes of this chapter and to prevent evasions thereof"); 12 U.S.C. § 461(a) ("The Board is authorized . . . to prescribe such regulations as it may deem necessary to effectuate the purposes of this section and to prevent evasions thereof").

*issuer*—not a third party. Capturing third-party incentive payments tied to “use” goes beyond the intended policy objective of prohibiting arrangements that mirror interest paid on the passive holding of money in a bank deposit account.<sup>11</sup> In the alternative, the OCC should clarify that the term “use” of a payment stablecoin in proposed § 15.10(c)(4)(i) refers to consumer-facing payments, not backend operational functions. To the extent “use” is kept in, the OCC should clarify specifically that minting and burning are operational activities and do not constitute “using” or “holding” the payment stablecoin to avoid such activities triggering a yield violation.

- c. Narrow the definition of “related third party.” As written, a related third party includes (1) any person paying interest or yield to a payment stablecoin holder *as a service* (i.e., on behalf of the permitted payment stablecoin issuer), and (2) any person that the issuer issues payment stablecoins on the person’s behalf or under the person’s branding (i.e., persons that have entered into a white-label relationship with the issuer).<sup>12</sup> This definition should be revised such that it includes only arrangements where a related third party has a contractual or other formal arrangement to pay interest or yield on behalf of the issuer. In addition, the OCC should clarify the limits of its jurisdiction with respect to any definition of “related third party” that it adopts.
- d. Establish clear safe harbors. The OCC should clarify that the payment of commercial incentives is not prohibited “yield” or “interest.” More specifically, the OCC should clarify that incentive payments made to market makers, exchanges, payment networks, custodians, or other commercial counterparties for services—including for liquidity provision, volume generation, technical integration, or operational support—should not be deemed prohibited interest or yield. CCI appreciates that the OCC notes in its proposed rule that the prohibition is not intended to prevent a merchant from independently offering a discount to a payment stablecoin holder for using payment stablecoins or a PPSI from sharing in the profits derived from the payment

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<sup>11</sup> Despite purported concerns that such arrangements may impact bank deposits and lending, the evidence does not support this claim. The White House Council of Economic Advisers recently examined the effects of a stablecoin yield prohibition on bank lending in a report published in April 2026 and found at baseline, eliminating stablecoin yield increases bank lending by just \$2.1 billion (a 0.02%) increase. <https://www.whitehouse.gov/research/2026/04/effects-of-stablecoin-yield-prohibition-on-bank-lending/>.

<sup>12</sup> See Proposed § 15.10(c)(4)(ii).

stablecoin with a non-affiliate white label partner. The OCC should codify these carve-outs in the regulatory text.

## **B. White Label and Affiliate Arrangements**

In the Proposed Rule, the OCC notes that it is considering whether to prohibit a PPSI from issuing more than one brand of payment stablecoin (i.e., more than one set of payment stablecoins marketed under the same name).<sup>13</sup> One approach the OCC has considered is restricting each PPSI to a single brand of payment stablecoin, while offering a streamlined approval process for affiliates of already-approved issuers. Under this approach, multiple PPSIs could share certain services and back-office functions and operate under a common risk management framework, but each issuer would remain legally separate.

### *Recommendations*

1. The OCC should not adopt a per-stablecoin or per-brand licensing restriction. As discussed below, the OCC should adopt a per-issuer licensing regime under which a single approved PPSI may issue multiple brands of payment stablecoins, including under white label or co-branded arrangements with commercial partners.
2. 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. Adopting a per-issuer licensing approach would also incentivize issuers to establish a highest-common bar for risk management and operational standards to apply across all payment stablecoins issued under that license. By contrast, a per-stablecoin or per-brand approach risks incentivizing issuers to allocate resources based on the strategic importance of a stablecoin or other subjective criteria, potentially leading to inconsistent risk management standards.
3. To the extent the OCC seeks to address concerns regarding reserve confusion or run risk, it may do so through clarifying application of the

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<sup>13</sup> Proposed Rule at 10213.

GENIUS Act’s requirements in the context of multi-brand issuance—not by adding a new registration requirement not found in statute.<sup>14</sup> 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.

## II. Reserve Asset Management (Proposed § 15.11)

### A. Diversification Requirements

The Proposed Rule includes two alternative options in proposed § 15.11(c) for implementing the GENIUS Act’s asset diversification requirement, but only one will be selected for the final rule. “Option A” provides a principles-based requirement that a PPSI must maintain reserve assets that are sufficiently diverse to manage potential credit, liquidity, interest rate, and price risks. Option A then provides an optional safe harbor providing quantitative requirements. If a PPSI satisfies these requirements, they would be deemed in compliance with the general requirement. “Option B” would make the quantitative requirements under Option A’s safe harbor mandatory for all issuers (i.e., it would eliminate the principles-based requirement).

Under either Option, the quantitative requirements would require a PPSI to maintain on each business day:

- (i) At least 10 percent of required reserves as deposits or insured shares payable on demand or money standing to the credit of an account with a Federal Reserve Bank;
- (ii) At least 30 percent of reserve assets as deposits or insured shares payable upon demand, money standing to the credit of an account with a Federal Reserve Bank, or amounts receivable and due unconditionally within five business days on pending sales of reserve assets, maturing reserve assets, or other maturing transactions (e.g., reverse repurchase agreements);

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<sup>14</sup> Notably, the FDIC’s recently proposed rule regarding implementation of the GENIUS Act for FDIC-supervised PPSIs does not propose to restrict issuers to one brand, but rather articulates measures it would expect PPSIs issuing multiple brands to take, including, for example, maintaining separate and segregated pools of reserves for each payment stablecoin and regularly monitoring the value of reserves for each brand of payment stablecoin, with the ability to immediately identify if any one brand of payment stablecoin falls below the required threshold. *See* 91 Fed. Reg. 18534 (Apr. 10, 2026).

- (iii) No more than 40 percent of its reserve at any one eligible financial institution (“EFI”), whether as deposits, or insured shares at any one IDI, securities custodied at any one EFI, bilateral reverse purchase agreements with any counterparty, or through other exposures;
- (iv) No more than 50 percent of the amount provided in (i) above at any one EFI; and
- (v) A total stock of reserve assets with a weighted average maturity of no more than 20 days.

### *Recommendations*

1. The OCC should adopt a principles-based requirement consistent with Option A.
2. However, the OCC should eliminate or recalibrate any safe harbor. As structured, the safe harbor skews disproportionately towards reserve diversification as the sole objective of reserve management at the expense of liquidity management, adding operational frictions that can impede timely redemption and settlement for issuers of all sizes. The proposed safe harbor thus adds operational, counterparty, and credit risk. The central supervisory question should be whether the reserve structure supports prompt monetization and orderly redemption under normal and stressed conditions, not whether assets are dispersed across a prescribed number of counterparties.
3. Option A’s principles-based approach would provide PPSIs with greater flexibility to balance liquidity and the need for timely redemption with diversifying reserves based on their unique business models and risk profiles. It is also the only Option consistent with the statutory text. Specifically, the GENIUS Act provides that the OCC “shall” issue reserve asset diversification, deposit concentration limits, and interest rate risk management regulations that are tailored to the issuer’s business model and risk profile and no more than sufficient to ensure ongoing operations.<sup>15</sup> Under Option B, every issuer regardless of size, organizational structure, or redemption model, would have to comply with the same identical quantitative requirements, undermining the GENIUS Act’s clear directive for flexibility.

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<sup>15</sup> See 12 U.S.C. § 5903(a)(4)(A)(i).

4. The 40 percent cap on holding reserve assets at a single entity should either be eliminated or adjusted to allow for a tiered threshold based on credit risk. Assets held in trust or custodial structures should be unrestricted. Custodied assets remain the beneficial owner's property, are legally segregated and bankruptcy-remote, and therefore do not create the same prudential concerns as unsecured deposit exposure. Accordingly, issuers should be able to avail themselves of such trust structures in unrestricted fashion. This approach would also reflect the practical reality that only a small number of large custodians offer the bulk of custody services across U.S. and global financial markets.
5. The OCC should ensure that PPSIs have flexibility to hold reserve assets at OCC-regulated affiliates. For example, the OCC may consider adopting an exemption from concentration limits for PPSIs that are subsidiaries of a federally regulated depository institution. Such an exemption could allow a PPSI that is an IDI or national trust bank subsidiary to hold up to 100 percent of its reserve asset as deposits at the affiliate, subject to the strict requirement that the parent holds an equivalent amount of cash at its Federal Reserve Master Account and remains well-capitalized. The standard for such arrangements should be risk-based, require arm's-length terms, and avoid creating competitive asymmetries between different types of PPSIs.
6. The OCC should work with the Federal Reserve to enable an operating subsidiary of an IDI to open a Master Account directly at the Federal Reserve or maintain a designated sub-account of the parent IDI's Federal Reserve Master Account. These entities are already subject to a comprehensive supervisory framework and subject to the highest standards of oversight.
7. The OCC should increase the weighted average maturity for reserve assets. Option A's safe harbor and Option B's mandatory requirements would require a PPSI to maintain on each business day reserve assets with a weighted average maturity of 20 days. This proposed requirement is dramatically more restrictive than the GENIUS Act's explicit authorization for PPSIs to hold Treasuries with up to a 93-day maturity.<sup>16</sup>

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<sup>16</sup> See 12 U.S.C. § 5903(a)(1)(A)(iii).

## **B. Withdrawal of Excess Reserves**

Proposed § 15.11(a)(3) proposes that a PPSI would be able to withdraw excess reserves only after the required monthly examination and certification has been published.

### *Recommendations*

1. The OCC should adjust this requirement to ensure it does not unintentionally incentivize issuers to increase their reserve assets at month-end, while also ensuring it does not complicate a key cash flow for issuers by overly constraining when they may withdraw excess reserve assets.
2. The OCC should require a random floating day attestation in addition to the end-of-month attestation to ensure issuers maintain adequate reserves consistently throughout the month. For example, the OCC could adopt an approach taken by the New York Department of Financial Services, which requires attestation of reserves on at least one additional randomly selected business day each month, selected by the auditor.<sup>17</sup>

## **C. Insured Deposit Requirement**

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

### *Recommendations*

1. The OCC should eliminate the requirement to hold at least 0.5 percent of reserve assets as insured deposits or shares at an IDI.
  - a. It is operationally impracticable. Under this proposal, a large issuer with \$50 billion in outstanding issuance value would need to maintain \$250 million in insured deposits—requiring roughly 1,000 separate bank accounts to stay within the FDIC’s proposed

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<sup>17</sup> See N.Y. Dep’t of Fin. Serv., *Guidance on the Issuance of U.S. Dollar-Backed Stablecoins* (June 8, 2022), [https://www.dfs.ny.gov/industry\\_guidance/industry\\_letters/il20220608\\_issuance\\_stablecoins#:~:text=In%20each%20of%20these%20attestations,by%20DFS\)%20have%20been%20met.](https://www.dfs.ny.gov/industry_guidance/industry_letters/il20220608_issuance_stablecoins#:~:text=In%20each%20of%20these%20attestations,by%20DFS)%20have%20been%20met.)

deposit insurance limits,<sup>18</sup> exponentially increasing the operational complexity to PPSIs.

- b. It creates a chokepoint within the banking system. It can take many months to establish a bank account and is also quite expensive. The GENIUS Act was passed to facilitate innovation and expansion in the digital asset industry. This proposal entrenches IDIs (and a specific type of bank account) as a gatekeeper to the industry.
- c. It adds unnecessary complexity to the already detailed reserve asset diversification requirements. It also adds risk to satisfying redemptions in times of banking sector or issuer stress. Payment stablecoins are designed to be fungible and redeemable at par on demand. If a portion of reserve assets must remain locked in IDI deposits that could be subject to bank failure, withdrawal freezes, or Federal Deposit Insurance Corporation (“FDIC”) resolution delays during a banking sector stress event, a PPSI might not be able to timely liquidate those reserves to meet redemption demand. This friction could slow redemptions during times when PPSIs most need to move quickly to maintain the 1:1 peg, potentially amplifying rather than containing stress.

#### **D. Reserve Reporting Requirement**

Proposed § 15.11(e) proposes that every PPSI must publish on its public website by noon on the last day of each month a report on the composition of the issuer’s reserves held pursuant to the GENIUS Act as of noon of the last day of the prior month. This report includes information regarding the total number of outstanding payment stablecoins issued by the issuer and their fair value amount, along with the composition of the reserves, including the average tenor and geographic location of custody of each category of reserve instruments.<sup>19</sup>

#### *Recommendations*

1. If the OCC seeks a higher cadence of reporting to supplement the month-end public reporting requirement, it should only require PPSIs to

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<sup>18</sup> See *FDIC Notice of Proposed Rulemaking, GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions*, 91 Fed. Reg. 18534 at 18558-59 (proposing that deposits held as reserves for a payment stablecoin would be insured to the PPSI under the FDIC’s rules for coverage of corporate deposits, but would not be insured to payment stablecoin holders on a pass-through basis).

<sup>19</sup> For geographic location, OCC expects it will generally be sufficient for PPSI to disclose the jurisdiction where reserve assets are custodied or located.

report daily averages of the total number of outstanding payment stablecoins and the amount and composition of reserve assets as part of confidential supervisory reporting. Robust confidential reporting supplemented by periodic surprise outstanding issuance value checks would help ensure the OCC retains an accurate view of reserves backing a given payment stablecoin and ensure consistent 1:1 liquidity for payment stablecoin redemption.

### III. Redemption Requirements (Proposed § 15.12)

Proposed § 15.12 provides that a PPSI must publicly disclose its redemption policy, which may not exceed two business days following the date of the requested redemption. Proposed § 15.12(c)(1) would provide that the period for timely redemption *must* be extended to seven calendar days if a PPSI faces redemption demands in excess of 10 percent of its outstanding issuance value in a single 24-hour period.

#### *Recommendations*

1. The OCC should adopt a broad and flexible definition of “redemption” that protects stablecoin holders while allowing for innovative methods of redemption. Satisfying redemption requirements should focus on outcome—namely, delivering equivalent value—rather than the specific technical settlement mechanism. This technology-neutral approach would support evolving and innovative payment systems without compromising consumer protections. In addition, redemption timeliness should not compromise issuer compliance with BSA or anti-money laundering (“AML”) requirements. Accordingly, the redemption clock should begin only after a holder has submitted a valid redemption request and completed any required onboarding, AML, sanctions, and other threshold compliance steps.
2. CCI supports a clear prohibition on hidden, abusive, or destabilizing redemption fees.<sup>20</sup> Any fee must be clearly disclosed, and a PPSI should provide advance notice of any changes to fee arrangements. Providing clear limits and disclosures around redemption fees will foster market competition to drive down redemption fees, helping ensure that a holder’s payment stablecoin dollar remains worth a dollar, consistent with customer expectations.

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<sup>20</sup> See Proposed Rule at 10259.

3. The OCC should not adopt the seven-day mandatory redemption timeline under Proposed § 15.12(c)(1). As written, the proposal risks serving as a market “run trigger.” Any signal that a PPSI has moved its redemption policy beyond two days or policy that forcibly delays redemption would likely in itself intensify redemption pressure. For example, preventing an issuer in such scenarios from redeeming prior to seven days (i.e., effectively requiring the issuer to pause redemptions for a minimum additional five days) will have ripple effects across the PPSI’s customer base that are likely to use or rely on payment stablecoin redemption to conduct certain payment activities. Further, market participants settling intraday trades in, or using, stablecoins could suffer spillover effects of a delayed ability to redeem stablecoins to fiat if there is a sudden increase in redemptions. CCI fully expects payment stablecoins to be widely used as collateral and margin in securities and commodities markets. In these markets, a single futures commission merchant may settle upwards of \$10 billion in intraday margin positions per day—surpassing the 10 percent threshold for the entire existing U.S. stablecoin market. Forced seven-day redemptions would undermine and likely deter the use of payment stablecoins for such applications. The OCC should avoid policies that may inadvertently and significantly hamper the adoption of payment stablecoins.

#### **IV. Risk Management & Supervision (Proposed § 15.14)**

Proposed § 15.14(a) provides that the OCC will generally conduct a full-scope examination of every PPSI subject to its supervision at least once during each 12-month period. PPSIs would need to submit reports to the OCC regarding financial condition, risk-monitoring systems, and compliance with the GENIUS Act and the Bank Secrecy Act (“BSA”). Proposed §§ 15.14(n) and (o) implement and mirror the GENIUS Act’s requirements that the OCC, to the fullest extent possible, use existing supervisory reports and other supervisory information and avoid duplication of examination activities, reporting requirements, and requests for information.

##### *Recommendations*

1. The OCC should permit a PPSI that is an IDI subsidiary to leverage its parent’s enterprise-wide risk management infrastructure, including risk appetite statements and third-party risk management programs, where appropriate, to satisfy risk-management and supervisory requirements. Specifically, the OCC should include guidance to this effect in its Commentary to the final rule and the Comptroller’s Manual. This

guidance should recognize that a parent IDI of a PPSI is already subject to robust regulatory oversight and supervision across the parent entity and its subsidiaries. This approach should be structured consistent with the GENIUS Act’s mandate to avoid duplication of examination activities, reporting requirements, and requests for information,<sup>21</sup> while also ensuring the PPSI maintains dedicated entity-level reserve, liquidity, compliance, and operational capabilities, consistent with the Act’s requirements that an IDI subsidiary PPSI remain structurally separate from its parent.

2. The OCC should clarify it has exclusive authority to exercise visitorial powers with respect to subsidiaries of national bank IDIs. Under Section 6(a)(1) of the GENIUS Act, a federal PPSI “shall be subject to supervision by the appropriate primary Federal payment stablecoin regulator.” The OCC should clarify that this authority is exclusive and expressly limit the exercise of visitorial powers by other authorities.

## V. Privacy

The OCC is proposing to define the term “publicly available information” to mean any information that a person has a reasonable basis to believe is lawfully made available to the general public from Federal, State, or local government records, widely distributed media, disclosures to the general public that are required to be made by Federal, State, or local law, or a distributed ledger. The term “distributed ledger” is limited to publicly available and accessible ledgers. The OCC proposes to define the term “nonpublic personal information” to exclude publicly available information, unless when combined with other information, it would reveal the identity of a customer or would enable access to the customer’s account.

Proposed § 15.13(b)(4) would require a PPSI’s information technology and security program to include administrative, technical, and physical safeguards designed to (i) ensure the security and confidentiality of records containing nonpublic personal information about a customer; (ii) protect against any anticipated threats or hazards to the security or integrity of such records; (iii) protect against unauthorized access to or use of such records that could result in substantial harm or inconvenience to any customer; and (iv) ensure the proper disposal of such records.<sup>22</sup> However, because the NPI protections in proposed § 15.13(b)(4) exclude publicly available information, onchain transaction data falls outside of these protections.

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<sup>21</sup> See 12 U.S.C. § 5905(a)(4)(B) (requiring primary Federal payment stablecoin regulator to adhere to certain efficiency requirements in supervising and examining a PPSI).

<sup>22</sup> Proposed § 15.13(b)(4).

*Recommendations*

1. The OCC should clarify that PPSIs should be required to assess whether their blockchain infrastructure exposes customer transaction data publicly and implement proportionate technical controls.<sup>23</sup> To the extent a PPSI 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 the transactions.
2. The OCC should clarify that privacy-preserving distributed ledger architectures, such as those that cryptographically shield transaction details while maintaining the verifiability of transaction validity, can be used by the PPSI to support data privacy requirements, without conflicting with the Proposed Rule's requirements. In particular, issuers may be uncertain whether deploying on a privacy-preserving distributed ledger is compatible with reserve identifiability under § 15.11(a)(1)(i) and audit, reporting, and examination obligations under § 15.14. Removing this ambiguity would eliminate a regulatory barrier to the adoption of more privacy-protective infrastructure and would encourage issuers to make architectural choices that better protect consumers' privacy.
3. Selective disclosure mechanisms—where issuers or account holders can cryptographically reveal transaction data to specific parties such as regulators and auditors, without requiring full public exposure on the ledger—should be recognized as sufficient to meet the OCC's examination and transparency requirements. For example, zero-knowledge proof-based infrastructure is operationally available today and provides issuers a concrete, compliance-compatible path to meeting these standards. Zero-knowledge proofs ("ZKPs") are a cryptographic technique that allows one party to prove to another that a statement is true—such as that a transaction is valid and properly authorized—without revealing any information beyond that fact. Applied to blockchain infrastructure, ZKPs allow transactions to be verified by the network without exposing transaction amounts, counterparties, or other details to the public ledger. Regulators and auditors could be granted cryptographic access to transaction records on a targeted basis, achieving the same supervisory objectives without exposing customer financial behavior to the general public.

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<sup>23</sup> More broadly, CCI encourages the OCC to consider a technology framework for tokenized assets across OCC-regulated entities, not just PPSIs, that incorporates privacy preserving standards.

4. The OCC also should adopt a technology-neutral approach with respect to lawful-order response and permanent removal from circulation. Different blockchain architectures entail different technical constraints. As such, issuers should be permitted to evidence lawful seizures, immobilization, burns, or other removals through auditable records and public or onchain traceability, rather than through a single prescribed technical method.

## **VI. Capital Requirements (Proposed §§ 15.40–15.42)**

CCI supports the OCC’s preferred approach to capital requirements that requires PPSIs to calculate a minimum capital requirement based on an evaluation of the risks associated with its business model and risk profile rather than specifying fixed minimum capital levels or ratios following the conditional approval period. As part of this flexible framework, we support an operational backstop consisting of 12 months of projected operating expenses, which ensures the PPSI remains resilient and well-capitalized to handle its own operational and administrative risks. The capital backstop should remain PPSI-specific and tied to non-discretionary operating expenses needed to preserve operations and redemption continuity.

### *Recommendations*

1. CCI supports the OCC’s proposed requirement that a subsidiary’s stablecoin reserves be deconsolidated from the parent IDI’s balance sheet to prevent duplicative capital charges.
2. However, to ensure this deconsolidation works in practice, CCI requests that the OCC provide explicit relief from Tier 1 leverage requirements for stablecoin reserves of an operating subsidiary that are held as deposits at the parent bank’s Federal Reserve Master Account. Because the subsidiary is already required to hold its own independent capital, the parent bank should not be penalized or required to raise additional capital to back these deposits. Specifically, if the parent IDI holds an equivalent amount of cash in its Federal Reserve Master Account, those deposits should be excluded from the parent bank’s Tier 1 leverage ratio calculations. This relief would be in line with the OCC’s intention to deconsolidate the subsidiary’s reserves from the parent. Any relief should be technology neutral and consistent with the GENIUS Act’s statutory design to treat the PPSI IDI subsidiary as a standalone entity from the parent IDI. Such relief can ensure that existing rules do not mischaracterize legally segregated reserve structures or produce double-counting.

## VII. Multi-Jurisdictional Issuance

Major stablecoin issuers who seek to operate globally typically operate under a multi-jurisdictional issuance model in which a fungible token is issued by affiliated entities operating under separate regulatory licenses across multiple jurisdictions. Because each licensing jurisdiction may require reserve assets to be “ring-fenced” (i.e., held locally to back tokens circulating within that jurisdiction), and given the fungibility of payment stablecoins to move across borders, issuers may be required to rebalance and shift reserves across jurisdictions based on where tokens are held. This may create operational complexities, as an issuer may be unable to determine with certainty which holders are in which jurisdiction at any given time, and redemption requests may arise in a jurisdiction different from where the corresponding reserves are held. Multi-jurisdictional issuance is *not* addressed directly in the Proposed Rule.

### *Recommendations*

1. The OCC should establish clear, straightforward guidance addressing how multi-jurisdictional issuance may operate within the GENIUS Act’s framework. For example, this guidance should preserve the ability to rebalance reserves across jurisdictions based on where tokens are actually held or assumed to be held based on best available information. It should also allow for U.S.-based issuers to serve customers with U.S. dollar denominated stablecoins outside the U.S. without being required to hold reserves in numerous non-U.S. jurisdictions. Providing innovation-forward guidance on multi-jurisdictional issuance would place the U.S. as a leader ahead of jurisdictions like the European Union that are considering banning this model outright.
2. The OCC should create a clear path for issuance that is conducted out of multiple affiliates, including those located in different jurisdictions but that are consolidated under the same brand. To accomplish this, the OCC should ensure PPSI licenses include like-branded stablecoins issued by consolidated affiliates. PPSI licenses should encompass the issuer and any consolidated affiliates issuing the same token. Such stablecoins must be treated fungibly under a single circulation calculation, and outstanding issuance value must include affiliate-issued stablecoins under the same brand. Failure to extend OCC visibility and accountability for all like-branded stablecoins would undermine OCC oversight and, in the case of U.S. dollar-denominated stablecoins, limit U.S. oversight and regulation of like-branded U.S. dollar stablecoins circulating overseas.

3. Foreign affiliate-issued stablecoins should be allowed to mint and redeem for non-U.S. customers to meet local regulatory requirements or subject to a reciprocity framework.

### VIII. Definitions (Proposed § 15.2)

CCI appreciates the opportunity to provide comments and recommendations on the definitions in the Proposed Rule.

#### A. Holder

The Proposed Rule does not define “holder.” But under the proposed redemption standard, a PPSI must provide a statement with clear instructions on how a payment stablecoin *holder* can redeem a payment stablecoin, including a link to the website(s) where a *customer* can redeem the payment stablecoin. The Proposed Rule would define “customer” broadly to mean a person that purchases (through any consideration) the products or services of another person.

#### *Recommendations*

1. The OCC should define “holder” and clarify it as a distinct term from “customer.” By using the term payment stablecoin holder and customer in the same sentence, the redemption standard as written creates ambiguity regarding a PPSI’s redemption obligations and who holds redemption rights.

#### B. Private Key

The OCC proposes defining “private key” to mean the unique alphanumeric string that allows an individual to transfer a particular unit of a digital asset using a distributed ledger. In the preamble, the OCC noted that this “definition is intended to include shards of a private key.”<sup>24</sup> The OCC explained that “sharding refers to dividing a private key into distinct pieces for enhanced security.”<sup>25</sup>

#### *Recommendations*

1. The OCC should revise the definition of “private key” to clarify that a private key shard does not independently confer transfer authority over a digital asset. Including shards within the definition of “private key”

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<sup>24</sup> Proposed Rule at 10209.

<sup>25</sup> *Id.*

without this clarification risks conflating parts of a private key with a fully operative private key.

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## APPENDIX

### CCI RESPONSES TO SELECT QUESTIONS

**Question 35:** Could the prohibition against paying interest or yield solely in connection with the holding or use of a permitted payment stablecoin be clarified?

**CCI Response:**

The prohibition should track—not expand—the GENIUS Act’s language of prohibiting a PPSI or FPSI from paying the holder of any payment stablecoin any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of such payment stablecoin.

**Question 36:** Does the presumption with respect to the prohibition against paying interest or yield solely in connection with the holding, use, or retention of a permitted payment stablecoin appropriately address concerns relating to evasion? Is the presumption with respect to the prohibition against paying interest or yield solely in connection with the holding, use, or retention of a permitted payment stablecoin appropriately scoped? Is the presumption sufficiently clear? How could the presumption be clarified? Should the OCC clarify the standard of review under which it would consider written materials to rebut the presumption related to interest or yield and specify whether the OCC’s determination is appealable? Should the OCC propose any safe harbor for arrangements that the OCC believes do not violate the statutory prohibition?

**CCI Response:**

The rebuttable presumption is not appropriately scoped. It is overinclusive by capturing third-party payments of yield or interest, including those relating to a payment stablecoin holder’s use of a payment stablecoin. The broad definitional language of “related third party” also introduces uncertainty regarding who would be captured.

Not only is the rebuttable presumption overinclusive, but it is also inconsistent with the statute by shifting the burden to a PPSI to disprove evasion—even in circumstances involving bona-fide third-party payments outside the issuer’s control. A clearer limiting principle would confine the presumption to only affiliate or related third-party arrangements where the third party is acting on behalf of the issuer or pursuant to a contractual arrangement to pay the payment stablecoin holder yield for the issuer.

To the extent the OCC retains a rebuttable presumption construct, it should, at the very least, clearly define the standard of review that would govern how the presumption may be overcome. The OCC should also articulate a clear, efficient, and speedy process for appeal and provide a safe harbor clarifying that incentive payments made to market makers, exchanges, payment networks, custodians, or other commercial counterparties for services, including for liquidity provision, volume generation, technical integration, or operational support, are not prohibited interest or yield.

**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?

**CCI Response:**

CCI opposes a broader prohibition that would prevent issuers from “directly or indirectly” paying yield or interest to payment stablecoin holders. Expanding the prohibition to cover “indirectly” is not supported by statute. Whereas Congress included “directly or indirectly” in the prohibition on rehypothecation in Section 4(a)(2), this phrase does not appear in section 4(a)(11). Broadening the prohibition through the use of “directly or indirectly” would also introduce significant uncertainty given the ambiguity regarding what would be considered an “indirect” payment of interest or yield. Capturing indirect arrangements could, for example, expose PPSIs to downstream liability risk for actions taken by third parties outside of their direction or control.

**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?

**CCI Response:**

“Pay,” “Interest,” and “Yield” do not require further definition. Section 4(a)(11) captures only payments from an issuer to a holder. This carefully-scoped provision ensures that the prohibition addresses the chief purported policy concern related to a perceived fear of deposit flight. Any rewards paid by a non-payment stablecoin issuer entity in connection with a payment stablecoin

holder engaging in activity or transactions is clearly outside the scope of the prohibition. In addition, the OCC should clarify three additional points. First, for purposes of the definition of related third party, “as a service” should mean acting on behalf of the PPSI or under a contractual arrangement to pay the payment stablecoin holder yield for the issuer. Second, “use” should be removed from the third-party presumption criterion in Proposed § 15.10(c)(4)(i)(B) to avoid overbreadth. Third, entities that are solely distributors and do not retain an issuance function should not be captured by any yield prohibition.

**Question 39:** What would the economic impact of a narrow prohibition on paying interest or yield solely in connection with the holding, use or retention of a payment stablecoin be relative to a broader prohibition (i.e., one that includes relationships with affiliates or third parties)? What impact would either prohibition have on bank deposits?

**CCI Response:**

Given that the GENIUS Act was enacted nearly a year ago, businesses across the payment stablecoin ecosystem have already structured their commercial models, contractual agreements, and distribution relationships in direct reliance on the statute’s carefully-scoped prohibition language. A prohibition that goes beyond the text of the GENIUS Act—particularly one that could be interpreted to capture third-party incentive arrangements—would therefore have a significantly disruptive economic impact on businesses that acted in good faith reliance on the law as written. Further, the evidence does not support the claim that payment of yield on stablecoins will have a significant impact on deposits. The White House Council of Economic Advisers recently examined the effects of a stablecoin yield prohibition on bank lending in a report published in April 2026 and found at baseline, eliminating stablecoin yield would increase bank lending by just \$2.1 billion—a mere 0.02% increase.

**Question 90:** What modifications to the reporting requirements, including the reserve asset composition report, would be appropriate for arrangements where one issuer issues multiple stablecoins under different brands (e.g., white label arrangements), if that arrangement is permitted in the final rule? Are there any additional disclosures that the issuer should provide in order to ensure that the report is not misleading?

**CCI Response:**

Reserve asset composition reports for multi-brand arrangements should be structured consistent with the GENIUS Act’s core policy objectives of ensuring

1:1 reserve backing, maintaining public confidence in payment stablecoin redemption, and providing transparency to payment stablecoin holders and regulators. Where a single issuer issues multiple brands of payment stablecoins, the OCC should require brand-level reserve reporting that clearly identifies the reserve assets backing each distinct brand; however, the OCC should avoid rules that duplicate reserve or other operational requirements for overseas issuing affiliates that are subject to local regulatory requirements around issuance activities. Where an affiliated issuer issues like-branded payment stablecoins, reserve reporting of like-branded payment stablecoins should be reflected in the licensed PPSI's consolidated outstanding issuance value and captured under a unified prudential perimeter. In either case, the guiding principles should be transparency and clarity, while avoiding artificial fragmentation of the same payment stablecoin across affiliate issuers.

**Question 103:** Should the OCC define “redemption” for purposes of the proposed rule? If so, should it be defined broadly to mean that, for example, the permitted payment stablecoin issuer has initiated payment to the payment stablecoin holder in return for a tendered payment stablecoin? Are there reasons to define “redemption” more narrowly? For example, should the OCC define redemption to mean that the permitted payment stablecoin issuer’s payment to a stablecoin holder in exchange for stablecoin has settled?

**CCI Response:**

Yes, the OCC should define “redemption” in a broad, flexible, and technology-neutral manner that protects stablecoin holders without limiting innovation. This definition should focus on the outcome (i.e., delivering equivalent value for payment stablecoins sought to be redeemed), rather than the specific technical process or mechanism for satisfying such redemption. For example, direct-to-bank transfers, ledger-based account crediting, or platform-based fulfillment should serve as valid methods of redemption, provided the customer receives equivalent value within the required timeframe. This approach would best support evolving payment systems while maintaining robust customer protections.

Further, the definition should not hinge on the final settlement timing of the holder’s external bank or payment rail, as those timelines are outside of the PPSI’s control and may vary across payment systems. Instead, redemption should be deemed complete when the issuer has timely processed a valid request and initiated the payment instruction or equivalent value transfer within its control.

**Question 104:** Are there limitations that the OCC should impose on redemption fees, e.g., to discourage run risk or to encourage price stability?

**CCI Response:**

CCI strongly supports a prohibition on hidden, abusive, or destabilizing redemption fees. Clear disclosures of any fees should also be required to ensure payment stablecoin holders fully understand the true value they will receive upon redemption. Transparency and market competition should be encouraged to drive down redemption fees and uphold a payment stablecoin holder's expectation that a payment stablecoin is a 1:1 dollar-equivalent instrument.

**Question 128:** Should the OCC provide that, with respect to a permitted payment stablecoin issuer that is a subsidiary of an insured depository institution, the permitted payment stablecoin issuer is deemed to comply with the risk management requirements of proposed part 15 if it complies with the risk management requirements applicable to its parent insured depository institution?

**CCI Response:**

Yes, for subsidiaries of an IDI, existing regulatory oversight is already robust in supervising risks across the IDI and its subsidiaries. To the extent appropriate, the OCC should permit PPSIs who are subsidiaries of such IDIs to leverage their enterprise risk management frameworks, while allowing for appropriate enhancements to address risks specific to payment stablecoin activities, rather than requiring fully duplicative structures at the subsidiary level. Where a PPSI leverages enterprise frameworks, the subsidiary should still maintain dedicated personnel and clear control over its own reserve and liquidity functions.

**Question 172:** In proposed § 15.30 related to approval of permitted payment stablecoin issuers and in proposed § 15.32 related to the registration of foreign payment stablecoin issuers, should the OCC require that a permitted payment stablecoin issuer or a foreign issuer be allowed to only issue a single type (i.e., brand) of payment stablecoin? What other arrangements designed to ensure legal separateness with respect to the reserve assets backing a particular brand of payment stablecoin should the OCC consider? For example, should the OCC require a permitted payment stablecoin issuer (or its parent company) to hold reserves in a special purpose, bankruptcy remote vehicle that is fully capitalized by the issuer and has no liabilities. What are the merits of these arrangements relative to requiring each issuer to issue only one brand of payment stablecoin? If the OCC requires a separate issuer for each brand of payment stablecoin, should the OCC streamline the approval process for certain applicants (e.g., by only requiring the

applicant to provide notice if the parent or affiliate of the new issuer has previously received approval to act as a permitted payment stablecoin issuer)? In the absence of a restriction on issuing more than one brand of stablecoin, how would issuers ensure that reserve assets are properly legally and operationally allocated to the backing of each brand of stablecoin? Are there any other issues or challenges that permitted payment stablecoin issuers could encounter in complying with the Act in the absence of such a restriction? If the OCC were to impose any of the requirements on issuers as described above, how would these requirements interact with State qualified payment stablecoin issuers that transition to the Federal regulatory framework that are not subject to the approval process by the OCC? To ensure equitable treatment across OCC-regulated entities, should the OCC, for example, prohibit all permitted payment stablecoin issuers from issuing more than one brand of payment stablecoin (per legal entity) in § 15.10?

**CCI Response to Question 172:**

The OCC should expressly permit a PPSI or FPSI to issue multiple brands of payment stablecoin and permit same-brand affiliate issuance under a single license. Safeguards should focus on brand-level reserve clarity, disclosures, and legal accountability, rather than a one license-per brand model. As explained above, a per-issuer licensing regime produces more uniform consumer protections, while reducing barriers to entry and establishing a more competitive and accessible market. If the OCC requires a separate issuer for each brand of payment stablecoin, CCI strongly supports a streamlined approval process for affiliates of already-approved PPSIs, including a defined and predictable timeline for OCC review.

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CCI appreciates the opportunity to comment on the Proposed Rule and looks forward to working with the OCC throughout the rulemaking process.

Respectfully submitted,



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