

October 19, 2026

VIA ELECTRONIC SUBMISSION

U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220
Attention: Office of the General Counsel
RIN 1505-AC95

RE: Notice of Proposed Rulemaking on GENIUS Act Regulations on Payment Stablecoin Issuance, Offer, and Sale (RIN 1505-AC95)

The Crypto Council for Innovation (“CCI”) appreciates the opportunity to comment on the Department of the Treasury’s (“Treasury”) notice of proposed rulemaking regarding the Guiding and Establishing National Innovation for U.S. Stablecoins Act (“GENIUS Act” or “Act”) regulations on payment stablecoin issuance, offer, and sale (the “Proposed Rule”).¹

By way of background, CCI is a global alliance of 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.

I. Overview

CCI appreciates Treasury’s thoughtful approach to implementing the GENIUS Act’s statutory prohibitions under section 3 of the Act (“Section 3”). As the Proposed Rule recognizes, Section 3 provides important prohibitions and limitations on the issuance, offer, sale, and making available of payment stablecoins in the United States (“U.S.”). When Congress enacted the GENIUS Act on a bipartisan basis, it established the first clear, durable, and appropriately tailored framework for payment stablecoin issuance in the U.S. As such, the GENIUS Act represents landmark legislation for the U.S. digital asset industry

¹ GENIUS Act Regulations on Payment Stablecoin Issuance, Offer, and Sale, 91 Fed. Reg. 53,368 (proposed Aug. 18, 2026) (to be codified at 12 C.F.R. pt. 1523) (hereinafter, the “Proposed Rule”).

and an opportunity to cement American leadership in digital payments. At its core, the GENIUS Act is designed and structured to promote responsible payments innovation, facilitate payment stablecoin adoption, strengthen the U.S. dollar at home and abroad, and advance consumer protections, financial stability, and counter illicit finance objectives.

Section 3 prohibitions against issuing non-permitted payment stablecoins and offering, selling, or making available non-permitted payment stablecoins in the U.S. are critical to achieving the GENIUS Act's bipartisan objectives by ensuring all payment stablecoins in the U.S. meet minimum baseline protections and issuers compete on a level playing field. Specifically, Section 3(a) prohibits any person other than a permitted payment stablecoin issuer ("PPSI") from issuing a payment stablecoin in the U.S. In other words, unless an issuer meets the GENIUS Act's comprehensive requirements, including those relating to 1:1 reserve asset backing, timely redemption, licensing, and supervision, the issuer may not lawfully issue a payment stablecoin in the U.S. In furtherance of this policy objective, Section 3(b) prohibits a digital asset service provider ("DASP") from offering or selling a payment stablecoin to a person in the U.S., unless the payment stablecoin is issued by a PPSI.

The GENIUS Act also recognizes that payment stablecoins represent global payment instruments, and that entities based outside of the U.S. issue U.S. dollar-denominated payment stablecoins. Section 18(a) of the Act ("Section 18(a)") allows such foreign payment stablecoin issuers ("FPSIs") to make their payment stablecoins available in the U.S., *provided* the FPSI meets certain conditions, including: (i) the FPSI is subject to a regulatory and supervisory regime that Treasury has determined to be comparable to the GENIUS Act; (ii) the FPSI is registered with the Office of the Comptroller of the Currency ("OCC"); (iii) the FPSI holds reserves in a U.S. financial institution sufficient to meet liquidity demands of U.S. customers; and (iv) the FPSI is domiciled in a jurisdiction that is neither subject to comprehensive U.S. economic sanctions nor designated as a jurisdiction of primary money laundering concern.² In addition, a DASP may not offer or sell, or otherwise make available in the U.S., a payment stablecoin issued by an FPSI unless the FPSI has the technological capability to comply, and will comply, with the terms of any lawful order and any reciprocal arrangement between Treasury and the FPSI's foreign jurisdiction.³

Taken together, these requirements help facilitate payment stablecoin adoption by giving U.S. consumers, businesses, and merchants confidence that all payment stablecoins are subject to robust customer protection, financial stability, and anti-illicit finance safeguards. By ensuring all issuers are subject to at least comparable supervisory and regulatory

² GENIUS Act § 18(a).

³ GENIUS Act § 3(b)(2).

regimes, Section 3 also helps ensure all issuers, including both PPSIs and FPSIs, are competing on a level regulatory playing field.

Given the importance of the Section 3 framework, CCI appreciates the opportunity to comment on all aspects of the Proposed Rule and respectfully offers targeted recommendations to align it more closely with the GENIUS Act's text, clarify compliance obligations for issuers and DASPs, and support lawful, responsible payment stablecoin activity in the U.S. and across the globe. These recommendations include: preserving the GENIUS Act's issuer-centered framework for determining FPSI eligibility; establishing a transitional regime for FPSIs to offer stablecoins in the U.S. while Treasury expeditiously finalizes comparability determinations between the GENIUS Act and foreign jurisdictions' regimes; affirming the proposed effective dates for Section 3's prohibitions; clarifying the definition of "issue"; supporting multi-jurisdictional issuance through clear guidance; reinforcing a functional perimeter for what constitutes a payment stablecoin; preserving a reasonable belief standard for when a person is located in the U.S., while avoiding a Regulation S-style offshore transaction origination approach; and establishing a credible enforcement framework for foreign DASPs. CCI provides further background and policy justifications for adopting these targeted recommendations in section II below.

II. CCI Offers Targeted Recommendations to Improve the Proposed Rule

1. Treasury Should Preserve the GENIUS Act's Issuer-Centered Framework for Foreign-Issuer Eligibility

As noted above, the GENIUS Act provides that Section 3's prohibitions shall not apply to an FPSI's payment stablecoin if Section 18(a)'s conditions are satisfied, the FPSI can, and will, comply with lawful orders, and the FPSI is in compliance with any applicable reciprocal arrangement.⁴ This structure clearly places the primary compliance burden for determining whether Section 3's prohibitions apply on the FPSIs and Treasury, not DASPs. Proposed Rule §1523.3, however, risks shifting this burden solely to DASPs by requiring DASPs to conduct due diligence regarding an FPSI's representation that it has the technological capability to comply with lawful orders and remains in compliance with applicable reciprocal arrangements. The Proposed Rule further provides that a DASP may not rely on an FPSI's representation if, based on its due diligence or other reasonably available information, the DASP knows, has reason to know, or should know that the representation is false or that the FPSI cannot or will not comply with a lawful order or reciprocal arrangement.⁵

⁴ See GENIUS Act §§ 18(a), 3(b)(2)(setting forth conditions under which a DASP may make an FPSI's payment stablecoins available in the U.S.).

⁵ Proposed Rule § 1523.3(c).

Recommendations

Treasury should not require a DASP to determine independently whether an FPSI can satisfy technological capability requirements, whether a foreign issuer can comply with lawful orders, whether a reciprocal arrangement is satisfied, or whether section 18(a)'s conditions are met. These are requirements that arguably only U.S. agencies, armed with the information provided by FPSIs and foreign regulators under Section 18(a), can adequately assess. Section 18(a), together with Treasury's comparability determination and OCC registration, should be the authoritative measure of FPSI eligibility. Treasury should ensure the final rule allows a DASP to demonstrate compliance by checking and retaining records of the issuer's official status and monitoring government notices. For example, section 18(c)(1)(F) of the Act requires the OCC to keep and make publicly available a current list of FPSI registrations that have been approved, and section 8(b) requires Treasury to publish determinations of noncompliance with lawful orders in the Federal Register. Where the DASP has actual information that an applicable condition is not satisfied by an FPSI, however, Treasury should consider requiring a DASP to take additional measures before making a payment stablecoin issued by such FPSI available to U.S. customers.

2. Treasury Should Establish a Transitional Regime to Promote Lawful Cross-Border Payments

Under Section 18(b), an FPSI or a foreign payment stablecoin regulator may request from Treasury a determination that it is subject to, or has implemented, a regulatory and supervisory regime that is comparable to the GENIUS Act's requirements. Treasury may only make this determination upon a recommendation from each other member of the Stablecoin Certification Review Committee.⁶ CCI understands that Treasury may begin receiving requests for such a determination on January 18, 2027, starting the 210-day statutory review period. Additionally, under section 18(d) of the GENIUS Act, the Secretary may create and implement reciprocal arrangements or other bilateral agreements between the U.S. and jurisdictions with payment stablecoin regulatory regimes that are comparable to GENIUS Act requirements. As part of this process, Treasury must consider whether the jurisdiction's requirements for payment stablecoin issuers include: (i) similar requirements to those under section 4(a); (ii) adequate anti-money laundering (AML) and countering the financing of terrorism (CFT) programs and sanctions compliance standards; and (iii) adequate supervisory and enforcement capacity to facilitate international transactions and interoperability with U.S. dollar-denominated payment stablecoins issued overseas.⁷ The

⁶ GENIUS Act § 18(b)(1).

⁷ GENIUS Act § 18(d).

GENIUS Act encourages Treasury to complete reciprocal arrangements within two years of enactment.⁸

Recommendations

CCI encourages Treasury to work expeditiously toward establishing comparability determinations. To that end, Treasury should prioritize comparability determinations with jurisdictions that have already established their own stablecoin frameworks.⁹

To avoid an immediate regulatory cliff upon the GENIUS Act's effective date of January 18, 2027,¹⁰ Treasury should use its Section 3(c) limited waiver authority to create a transitional regime for FPSIs that can demonstrate active prudential supervision for GENIUS Act section 4 criteria and are registered with the OCC pursuant to section 18(a), provided such issuers remain subject to AML and prudential regulations. Without transitional relief, U.S. DASPs could be foreclosed from using well-regulated foreign stablecoins while the section 18 processes and reciprocal arrangements are finalized.

3. Affirming the GENIUS Act's Section 3(b) Prohibition Effective Date

Under the Proposed Rule, Section 3(b)(1)'s prohibition on DASPs becomes effective on July 18, 2028 (the date that is three years after the date of enactment of the GENIUS Act).¹¹ In contrast, Section 3(b)(2)'s prohibition would become applicable on the GENIUS Act's effective date, which the GENIUS Act sets at the earlier of (i) 18 months after the date of enactment (January 18, 2027) or (ii) 120 days after the primary Federal payment stablecoin regulators issue final regulations implementing the Act.¹²

Recommendation

CCI supports the Proposed Rule's interpretation of the GENIUS Act's effective date. This interpretation is the most natural reading of the GENIUS Act's plain text. Accordingly, CCI urges Treasury to affirm the Proposed Rule's effective dates in the final rule.

⁸ See GENIUS Act § 18(d)(3) ("The Secretary of the Treasury should complete the arrangements under this subsection not later than the date that is 2 years after the date of enactment of this Act.").

⁹ For example, the European Union enacted the Markets in Crypto-Assets Regulation ("MiCA") in 2023, which included a framework for the regulation of "e-money tokens" or tokens that maintain a stable value by referencing a single fiat currency. See MiCA arts. 3(1)(7), 48–58.

¹⁰ See GENIUS Act § 20 (providing that the Act takes effect on the earlier of January 18, 2027, or 120 days after the primary Federal payment stablecoin regulators issue final implementing regulations, which have not been issued).

¹¹ Proposed Rule § 1523.3(a).

¹² GENIUS Act § 20.

4. Treasury Should Preserve and Clarify Treasury’s Economic-Rights Approach to the Definition of “Issue”

Proposed Rule § 1523.1(c) defines “issue” as the first transfer of a payment stablecoin by the issuer, except as required by a lawful order, *whether directly or indirectly*, including by crediting an account, that results or will result in a person other than the issuer having the right to use or transfer the payment stablecoin or to have the payment stablecoin converted, redeemed, or repurchased. The Proposed Rule also provides: “For the avoidance of doubt, after a payment stablecoin has been converted, redeemed, repurchased, or otherwise reacquired by the issuer, the first subsequent transfer of the payment stablecoin by the issuer that otherwise satisfies this definition is considered a new issuance, whether or not the transfer is characterized as a reissuance, except as required by a lawful order.”¹³

Recommendations

CCI supports the Proposed Rule focusing the definition of issue on the first transfer by the issuer because it treats a payment stablecoin as issued when another person obtains present or future economic rights, including through a presale or purchase agreement, even if onchain delivery occurs later. To further clarify the definition’s scope, CCI recommends that Treasury make clear that certain transactions that do not create any redemption obligation on behalf of the issuer, such as pre-minting, transfers among issuer-controlled wallets, custody movements, reserve rebalancing, and one-for-one cross-chain migrations, do not constitute issuance.

CCI also supports Treasury’s proposed construct of including “direct or indirect” arrangements to address cases where an agent or intermediary, such as an underwriter or distributor, effects the first transfer on the issuer’s behalf.¹⁴ To avoid sweeping in third parties that merely interact with the issuer, however, Treasury should clarify that indirect issuance applies only where the issuer and the third party “act in concert” to issue a payment stablecoin.

At the same time, Treasury should ensure the definition of “issue” captures issuance structures in which an issuer relies on U.S. persons or financial institutions to provide reserve custody, distribution, settlement, customer onboarding, redemption, or fiat access as part of a coordinated issuance arrangement. Treasury should adopt a functional substance-over-form approach to prevent formal offshore structuring from obscuring economically U.S.-connected payment stablecoin issuer activity, while reinforcing

¹³ Proposed Rule § 1523.1(c).

¹⁴ Proposed Rule at 53372.

compliance with U.S. sanctions laws, AML/CFT obligations, lawful-order compliance, and national security objectives.

In response to Questions 23–25, Treasury should, consistent with the above principles, clarify that an affiliate of a PPSI should not be deemed an additional issuer solely because it performs contracted issuance-related functions for, or provides a secondary guarantee of, a subsidiary's redemption obligations. Such affiliated arrangements may include contracted minting, redemption processing, settlement services, committed liquidity support, and secondary redemption guarantees, subject to any applicable banking laws and prudential requirements.

This clarification is particularly important to facilitate the use of payment stablecoins in institutional clearing and settlement arrangements, including as qualifying liquidity resources under CFTC Regulation 39.33(c)(3), where enforceable, prearranged funding arrangements may be necessary to ensure timely access to liquidity. Treasury should distinguish these affiliated arrangements from unaffiliated white-label structures, independent commercial guarantees, or arrangements designed to obscure the identity of the actual issuer or circumvent applicable regulatory requirements. A secondary guarantee supporting the issuer's redemption obligations should not, standing alone, constitute a separate issuance or cause the affiliated institution to be treated as an additional issuer.

5. Treasury Should Support Multi-Jurisdictional Issuance and Global Fungibility of Payment Stablecoins

Currently, 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. This structure allows each entity to meet local licensing, reserve, and other jurisdictional requirements while users hold one interchangeable payment token, rather than a separate, non-fungible token for each jurisdiction.

Recommendations

Treasury should support multi-issuance and accommodate different issuance structures to support the global fungibility of payment stablecoins. As a general principle, Treasury should ensure that issuer status follows the entity that assumes the obligation to convert, redeem, or repurchase a payment stablecoin for fixed monetary value *for persons located in the U.S.*, consistent with the principles for defining issuance in section 4 above. Treasury should expressly accommodate common-brand stablecoins issued through regulated

affiliates in multiple jurisdictions, while requiring the U.S. PPSI entity to remain responsible for redemption obligations to eligible persons located in the U.S.

Payment stablecoins are most effective as payment tools when they are able to move freely across borders. Indeed, a major benefit of payment stablecoins is their ability to offer faster, cheaper, and more efficient cross-border payments. Clear rules recognizing common-brand stablecoins issued by affiliates, and clarifying redemption obligations to U.S. persons, will help ensure payment stablecoin users are able to effectively use payment stablecoins as global payment instruments. Increased payment stablecoin use in international commerce also stands to strengthen demand for the U.S. Treasuries held as reserve assets, which may in turn help lower U.S. borrowing costs. Given the importance of this issue, CCI looks forward to working with Treasury on developing a clear, workable multi-jurisdictional issuance framework.

6. Treasury Should Reinforce a Functional Payment-Stablecoin Perimeter Without Collapsing Payment Stablecoins Into Deposits

The GENIUS Act defines a “payment stablecoin” as a digital asset that is, or is designed to be, used as a means of payment or settlement, and whose issuer is (i) obligated to convert, redeem, or repurchase the asset for a fixed amount of monetary value and (ii) represents, or creates a reasonable expectation, that it will maintain a stable value relative to a fixed amount of monetary value.¹⁵ In Question 5, Treasury asks whether Part 1523 should cover a digital asset that is redeemable in forms of value that are the functional equivalent of the enumerated forms of “monetary value,” including credit union shares, certain non-deposit liabilities, or other claims commonly viewed as ubiquitously convertible to bank deposits.¹⁶

Recommendations

Treasury should structure the final rule to ensure that issuers are not able to evade GENIUS Act requirements merely by marketing or structuring instruments as fixed-value

¹⁵ GENIUS Act § 2(22)(excluding digital assets that are a national currency, deposit, or security).

¹⁶ See Proposed Rule Question 5 (“For purposes of section 3 of the Act ([12 U.S.C. 5902](#)) and Part 1523, should Treasury interpret the term “payment stablecoin” and related definitions to include a digital asset that the issuer is obligated to redeem in other forms of value that may be the functional equivalent of those forms of “monetary value” enumerated in section 2(17) of the Act ([12 U.S.C. 5901\(17\)](#)) (i.e., national currencies or deposits as defined in section 3 of the Federal Deposit Insurance Act)? For example, should a digital asset that is redeemable only in credit union shares be considered a payment stablecoin within the scope of section 3 of the Act ([12 U.S.C. 5902](#)) and these proposed regulations? Does the ubiquitous convertibility of credit union shares and bank deposits in the U.S. financial system bear on this question? Similarly, should digital assets redeemable only in non-deposit liabilities of a company that are commonly viewed by the public as ubiquitously convertible to bank deposits be considered to be payment stablecoins? What are the practical or evasion risks of possible interpretations?).

payment assets but redeemable through an intermediate deposit, share account, corporate credit, or other functionally cash-like claim. A functional, substance-over-form approach would help prevent circumvention of the GENIUS Act's critical statutory protections, including reserve, redemption, and rehypothecation-prohibition requirements, through formal labeling or layered structures.

At the same time, the final rule should preserve the legal distinction between (i) an actual deposit or share-account liability owed to an identifiable accountholder and (ii) a separate circulating, reserve-backed payment token. A payment stablecoin should not fall outside the definition of "payment stablecoin" merely because deposits constitute some or all of its reserves. Indeed, the GENIUS Act expressly permits issuers to use deposits to satisfy the Act's reserve asset requirements, while expressly carving out deposits from the definition of payment stablecoin.¹⁷ A clear line demarcating a deposit from a payment stablecoin backed by deposits will prevent customer confusion between two fundamentally different products, each with its own uses, risks, and tailored regulatory regime.

7. Treasury Should Retain the Layered, Reasonable-Belief Standard for Customer Location and Strengthen Its Anti-Evasion Application

Proposed Rule § 1523.2(b) provides that a person issues a payment stablecoin "in the United States" if, at the time of issuance, either the issuer is located in the U.S. or the payment stablecoin is issued to a person located in the U.S. Proposed Rule § 1523.2(c) then establishes a conditional safe harbor for a person not located in the U.S. who reasonably believes each person to whom it issues the payment stablecoin is not located in the U.S.; has adopted and implemented policies, procedures, and controls reasonably designed to avoid issuing the stablecoin to U.S.-located persons; and does not engage in U.S.-targeted advertising or solicitation.

Similarly, Proposed Rule § 1523.3(e) provides that a DASP will be deemed not to offer, sell, or otherwise make available a payment stablecoin to a person located in the U.S. where the DASP reasonably believes the relevant person is not located in the U.S., adopts and maintains reasonably designed policies, procedures, and controls to avoid offering, selling, or making available the payment stablecoin to any person located in the U.S., and does not engage in advertising or solicitation directed to U.S.-located persons.

¹⁷ See GENIUS Act § 4(a)(1)(A)(ii)(identifying "funds held as demand deposits (or other deposits that may be withdrawn upon request at any time) or insured shares at an insured depository institution (including any foreign branches or agents, including correspondent banks, of an insured depository institution)" as permissible reserve assets); See GENIUS Act § 2(22) (defining payment stablecoin).

Recommendations

CCI supports Treasury's approach of providing clear safe harbors for issuers and DASPs to understand their compliance obligations. CCI also supports Treasury's approach of structuring safe harbors to provide issuers and DASPs flexibility to adopt and implement reasonably designed policies, procedures, and controls to ensure compliance with Section 3. CCI encourages Treasury to require both issuers and DASPs to demonstrate to their primary Federal payment stablecoin regulator that they maintain such reasonably designed policies, procedures, and controls in order to take advantage of these safe harbors.

CCI also encourages Treasury to avoid imposing strict liability for violations of Section 3. The GENIUS Act already makes clear in section 3(f) that penalties for violation of Section 3(a) only apply to persons who "knowingly" participate in a violation. Similarly, foreign DASPs making reasonable efforts to identify and prevent offers, sales, or other availability of payment stablecoins to persons located in the U.S. should not be subject to penalties solely because a customer circumvents, defeats, or otherwise evades reasonably designed location-detection and access-restriction controls.

In addition, where an FPSI is subject to a comprehensive regulatory and supervisory framework, such FPSI should be permitted to reasonably rely on the customer-location controls maintained by a regulated intermediary, provided that the issuer conducts appropriate diligence regarding the intermediary's compliance framework and has no actual knowledge or other reasonably available information indicating that the intermediary's controls are inadequate or are being circumvented. By contrast, where an FPSI is not subject to comparable prudential and AML/CFT supervision, Treasury should require enhanced diligence before the issuer may rely on the proposed safe harbor. That diligence should include an assessment of a DASP's regulatory status, distribution channels, geographic access controls, and downstream access.

8. Treasury Should Not Adopt a Regulation S-Style Offshore-Transaction Framework

As the Proposed Rule points out, Proposed Rule §1523.2(c)'s safe harbor for non-U.S. issuance reflects certain concepts that are similar to those reflected in Regulation S under the Securities Act, including with respect to determining the non-U.S. status of the relevant person and prohibiting U.S.-targeted advertising or solicitation. However, Proposed Rule §1523.2(c) would not adopt Regulation S's offshore-transaction framework of determining whether an entity acquirer is outside the U.S. by reference to the location from which an authorized employee or other authorized person originates the relevant transaction

instruction.¹⁸ CCI appreciates Treasury seeking feedback on whether it should more closely align its safe harbors with a Regulation S-style framework.¹⁹

Recommendations

CCI supports Treasury's proposed customer-location and conduct-based framework and urges Treasury not to adopt a Regulation S-style offshore-transaction origination test. Payment stablecoins are globally accessible payment instruments, not securities distributed through closed offering channels. A framework based principally on whether a transaction is formally originated or recorded through an offshore entity and the absence of directed selling efforts could push trading, liquidity, and other activity to nominally offshore venues. This may allow such activities to occur outside of the U.S. regulatory perimeter and oversight, while still exposing U.S. customers to their risks. Treasury should instead retain the customer-location and conduct-based framework in Proposed Rule § 1523.2(c) and § 1523.3(e). To protect the Section 3 framework's integrity, Treasury should adopt anti-prearrangement rules, require issuers and DASPs to adopt and document internal controls, and apply an anti-evasion standard that considers the totality of the circumstances.

9. Treasury Should Establish a Credible Enforcement Framework for Foreign DASPs

Proposed Rule § 1523.1 provides that the Proposed Rule is intended to have extraterritorial effect if conduct involves the offer or sale of a payment stablecoin to a person located in the U.S.

Recommendations

CCI encourages Treasury to ensure that foreign DASPs engaging in U.S.-facing activity are subject to clear and credible enforcement consequences comparable to those applicable to U.S.-regulated DASPs. Treasury should establish transparent processes for: investigating credible evidence of noncompliance by foreign-based DASPs; providing notice of alleged violations; requiring appropriate remediation or cessation of prohibited U.S.-facing activity; and coordinating these processes, as appropriate, with Treasury's section 8 enforcement process for noncompliant FPSIs. Treasury should also make clear how the Act's civil monetary penalties apply to foreign issuers and DASPs that knowingly continue to engage

¹⁸ Proposed Rule at 53378.

¹⁹ Proposed Rule 53369-70.

in prohibited U.S.-facing activity.²⁰ A clear, credible enforcement framework for foreign DASPs will protect U.S. customers, preserve regulatory oversight parity between foreign and domestic entities, and ensure the Section 3 prohibitions have extraterritorial effect in practice, consistent with GENIUS Act Section 3(e).²¹

III. Conclusion

CCI appreciates Treasury's thoughtful approach to implementing the GENIUS Act's important prohibitions and limitations on issuing and offering non-permitted payment stablecoins in the U.S. As discussed above, effective implementation of Section 3 is critical to ensuring that payment stablecoins in the U.S. meet core consumer protection, financial stability, and illicit finance safeguards, and that those safeguards cannot be easily circumvented. By adopting the targeted recommendations above, Treasury can best ensure that these objectives are met, domestic and foreign issuers compete on a level playing field, and issuers and DASPs have clear compliance obligations. CCI looks forward to working with Treasury as it finalizes the Proposed Rule to ensure the final framework promotes responsible innovation and facilitates adoption of payment stablecoins, not just in the U.S. but across the globe.

Respectfully submitted,



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²⁰ See e.g., GENIUS Act § 8(b)(4)(providing that Treasury may impose penalties on DASPs and foreign issuers that knowingly violated section 8(b) and the Secretary of Treasury may determine that multiple acts of noncompliance constitute separate violations if such acts were the result of gross negligence, a reckless disregard for, or a pattern of indifference to, money laundering, financing of terrorism, or sanctions evasion requirements).

²¹ See GENIUS Act § 3(e) ("This section is intended to have extraterritorial effect if conduct involves the offer or sale of a payment stablecoin to a person located in the United States.").