

OCC ~~Proposed~~Final Rule Text

PART 3—CAPITAL ADEQUACY STANDARDS

1. The authority citation for part 3 ~~continues~~is revised to read as follows:

Authority: 12 U.S.C. 93a, 161, 1462, 1462a, 1463, 1464, 1818, 1828(n), 1828 note,

1831n note, 1835, 3907, 3909, 5371, 5371 note, 5412(b)(2)(B), 5901 et seq., and Pub. L. ~~116-136~~116-
136, 134 Stat. 281.

2. Amend § 3.22 by adding paragraph (i) to read as follows:

§ 3.22 Regulatory capital adjustments and deductions.

* * * * *

(i) *Permitted Payment Stablecoin Issuers.* Notwithstanding any other provision in this section, an insured national bank or Federal savings association that is consolidated with a permitted payment stablecoin issuer as defined in § 15.2 of this chapter must make the following adjustments when calculating its capital ratios under § 3.10:

(1) Deconsolidate any permitted payment stablecoin issuer from the insured national bank's or Federal savings association's balance sheet;

(2) Deduct from common equity tier 1 capital any amount of positive retained earnings that originated from the permitted payment stablecoin issuer to the extent not paid out as dividends to the insured national bank or Federal savings association;~~and~~

(3) Add back to common equity tier 1 capital the bank's share of any losses incurred by the permitted payment stablecoin issuer; and

~~(34)~~ Exclude any investment in (to the extent not deducted under paragraph (i)(2) of this section) and receivable from the permitted payment stablecoin issuer when calculating standardized total risk-weighted assets, advanced approaches risk-weighted assets, average total consolidated assets, and total leverage exposure, as applicable.

PART 6—PROMPT CORRECTIVE ACTION

3. The authority citation for part 6 continues to read as follows:

Authority: 12 U.S.C. 93a, 1831o, 5412(b)(2)(B).

§ 6.2 [Amended]

4. Amend § 6.2 by, in ~~in~~ the definition of “~~total~~Total assets” in the first sentence, removing “as provided in § 3.22(a), (c), and (d) of this chapter” and adding “as provided in § 3.22(a),

(c), (d), and (i) of this chapter” in its place.

PART 8—ASSESSMENT OF FEES

5. The authority citation for part 8 is revised to read as follows:

Authority: 12 U.S.C. 16, 93a, 481, 482, 1467, 1831c, 1867, 3102, 3108, and 5901 *et*

seq.; and 15 U.S.C. 78c and 78l.

§§ 8.1 through 8.8 [Designated as Subpart A]

6. Designate §§ 8.1 through 8.8 as subpart A.

7. Add a heading for newly designated subpart A to read as follows:

Subpart A—Assessment of National Banks, Federal Savings Associations, Federal Branches, and Federal Agencies

8. Revise § 8.1 to read as follows:

§ 8.1 Scope and application.

The assessments contained in this subpart are made pursuant to the authority contained in 12

U.S.C. 16, 93a, 481, 482, 1467, 1831c, 1867, 3102, 3108, and 5901 *et seq.*; and 15 U.S.C. 78c

and 78l.

9. Amend § 8.2 by:

- a. Revising paragraphs (a)(5), (b)(2), and (c)(1);
- b. Redesignating paragraphs (c)(2) through (4) as paragraphs (c)(3) through (5);
- c. Adding a new paragraph (c)(2);
- d. Revising newly redesignated paragraph (c)(5); and
- e. Adding paragraph (e).

The revisions and additions read as follows:

§ 8.2 Semiannual ~~Assessments~~assessment.

(a) * * *

(5) The specific marginal rates and complete assessment schedule will be published in the

“Notice of Office of the Comptroller of the Currency Fees and Assessments,” provided for at §

8.8. Except as otherwise provided in ~~paragraphs (e) and (f)~~paragraph (e) of this section, each

semiannual assessment is based upon the total assets shown in the national bank’s or Federal savings

association's most recent "Consolidated Reports of Condition and Income" (Call Report) preceding the payment date. Each national bank or Federal savings association subject to the jurisdiction of the OCC on the date of the second or fourth quarterly Call Report, as appropriate, required by the OCC under 12 U.S.C. 161 and 12 U.S.C. 1464(v), is subject to the full assessment for the next six-month period. National banks and Federal savings associations that are no longer subject to the jurisdiction of the OCC as of the date of the first or third quarterly Call Report, as appropriate,

will receive a refund of assessments for the second three months of the semiannual assessment period.

* * * * *

(b) * * *

(2) The amount of the semiannual assessment paid by each Federal branch and Federal agency shall be computed at the same rate as provided in table 1 to paragraph (a) of this section; however, except with respect to assets attributable to activities permitted under 12 U.S.C. 5901 *et seq.*, only the total domestic assets of the Federal branch or agency shall be subject to assessment.

* * * * *

(c) * * *

(1) *General rule.* Except as provided in paragraph (c)(2) of this section, in addition to the assessment calculated according to paragraph (a) of this section, each independent credit card national bank and independent credit card Federal savings association will pay an assessment based on receivables attributable to credit card accounts owned by the national bank or Federal savings association. This assessment will be computed by adding to its asset-based assessment an additional amount determined by its level of receivables attributable. The dollar amount of the additional assessment will be published in the "Notice of Office of the Comptroller of the Currency Fees and Assessments," described at § 8.8.

(2) *Exception.* The additional assessment under paragraph (c)(1) of this section shall not apply to an independent credit card national bank or an independent credit card Federal savings association if the ratio of the institution's total gross receivables attributable to its balance sheet

assets does not exceed 50 percent, after taking into account the institution's balance sheet assets attributable to activities permitted under 12 U.S.C. 5901 *et seq.*

~~(3) Independent credit card national banks and independent credit card Federal savings associations affiliated with full-service national banks or Federal savings associations. * * *~~

* * * * *

(5) *Reports of receivables attributable.* Independent credit card national banks and independent credit card Federal savings associations will report receivables attributable data and assets attributable to activities permitted under 12 U.S.C. 5901 *et seq.* data to the OCC semiannually at a time specified by the OCC.

* * * * *

(e) *Special rules governing the treatment of assets attributable to ~~minimum~~-stablecoin ~~reserve assets~~reserves.*

~~(1)~~ To the extent the assets reported by the national bank or Federal savings association on its Call Report reflect the ~~minimum~~-stablecoin reserve assets that a permitted payment stablecoin issuer ~~must hold~~holds under 12 U.S.C. 5903, the semiannual general assessment fee for such institution shall be calculated as follows:

~~(i)~~ For assets other than those reflecting ~~the minimum~~-stablecoin reserve assets that a permitted payment stablecoin issuer ~~must hold~~holds under 12 U.S.C. 5903, using the formula set forth under paragraph (a) of this section to determine the assessed amount.

~~(ii)~~ For assets reflecting the ~~minimum~~-stablecoin reserve assets that a permitted payment stablecoin issuer ~~must hold~~holds under 12 U.S.C. 5903, using the formula set forth under paragraph (a) of this section, except that the OCC will calculate the assessed amount by reducing the resulting figure by ~~thirty-five~~35 percent, or such ~~other~~greater percentage (up to ~~fifty-five~~55 percent) as the OCC may deem appropriate for ~~minimum~~-stablecoin reserves held by national banks and Federal savings associations based on its experience supervising permitted payment stablecoin issuers. The OCC will publish the percentage reduction applied

to assets reflecting ~~minimum~~ stablecoin reserve assets on an annual basis in ~~the Notice of Office of the Comptroller Fees and Assessments.~~

(2) ~~To the extent that the assets reported by the national bank or Federal savings association on its Call Report do not reflect the minimum stablecoin reserve assets that a stablecoin issuer must hold under 12 U.S.C. 5903, the OCC shall increase the assessment set forth in this paragraph for such institution to fully reflect the minimum required stablecoin reserve assets for the amount of outstanding issuances that the institution reports on quarterly reports~~ the “Notice of Office of the Comptroller of the Currency Fees and Assessments.” To calculate the reserve asset assessment discount, the OCC will use the reserve assets shown on Schedule B of the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date.

10. Amend § 8.6 ~~as follows~~ by:

- a. Revising paragraph (c)(1) introductory text;
- b. Redesignate paragraph (c)(3) as paragraph (c)(4);
- c. Adding a new paragraph (c)(3);
- d. Revising newly redesignated paragraph (c)(4); and
- e. Adding paragraph (c)(5).

The revisions and additions to read as follows:

§ 8.6 Fees for ~~Special Examinations and Investigations~~ special examinations and investigations.
* * * * *

(c) * * *

(1) *Independent trust national banks and independent trust Federal savings associations.*

Except as provided in paragraph (c)(3) of this section, the assessment of independent trust national banks and independent trust Federal savings associations will include a fiduciary and related asset component, in addition to the assessment calculated according to § 8.2, as follows:

* * * * *

(3) *Effect of income from balance sheet assets attributable to activities permitted under the GENIUS Act.* The additional assessment under paragraph (c)(1) of this section shall not apply to an independent trust national bank or an independent trust Federal savings association if the institution generates more than 50 percent of its interest and non-interest income from activities other

than credit card operations or trust activities, after taking into account the institution's balance sheet assets attributable to activities permitted under 12 U.S.C. 5901 *et seq.*

(4) *Definitions.* For purposes of this paragraph (c), the following definitions apply:

(i) *Affiliate*, with respect to a national bank, has the same meaning as this term has in 12 U.S.C.

221a(b);

(ii) *Affiliate*, with respect to Federal savings associations, has the same meaning as in 12 U.S.C.

1462(7);

(iii) *Full-service national bank* is a national bank that generates more than 50 percent of its

interest and non-interest income from activities other than credit card operations or trust

activities and is authorized according to its charter to engage in all types of permissible banking activities;

(iv) *Full-service Federal savings association* is a Federal savings association that generates more

than 50 percent of its interest and non-interest income from activities other than credit card

operations or trust activities and is authorized according to its charter to engage in all types of activities permissible for Federal savings associations;

(v) *Independent trust national bank* is a national bank that has trust powers, does not primarily offer full-service banking, and is not affiliated with a full-service national bank;

(vi) *Independent trust Federal savings association* is a Federal savings association that has trust powers, does not primarily offer full-service banking, and is not affiliated with a full-service Federal savings association; and

(vii) *Fiduciary and related assets* are those assets reported on Schedule RC–T of FFIEC Forms 031 and 041, Line 10 (columns A and B) and Line 11 (column B), any successor form issued by

the FFIEC, and any other fiduciary and related assets defined in the “Notice of Office of the Comptroller of the Currency Fees and Assessments.”

(5) *Additional reporting.* Independent trust national banks and independent trust Federal savings associations will report the percentage of their interest and non-interest income from activities

other than credit card operations or trust activities, including from activities permitted under 12

U.S.C. 5901 *et seq.*, to the OCC semiannually at a time specified by the OCC.

11. Amend § 8.7 by adding paragraph (d) to read as follows::

§ 8.7 Payment of interest on delinquent assessments and examination and investigation fees.

* * * * *

(d) *Special rules governing the assessment of permitted payment stablecoin issuers.* If a national bank's or Federal savings association's total assets reported on that institution's Call Report do not reflect any assets that a permitted payment stablecoin issuer reports on Schedules B or C of the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date, the OCC may increase the assessment set forth in subpart A for such institution to fully reflect the amounts shown on the quarterly reports.

~~11~~12. Add subpart B~~,~~ to read as follows:

Subpart B—Assessment of Certain Other Institutions

Sec.

~~§~~ 8.9 Scope and application.

~~§~~ 8.10 Semiannual assessment for certain institutions.

~~§~~ 8.11 Fees for certain institutions engaged in custodial and safekeeping activities ~~permitted under 12~~

~~U.S.C. 5901 et seq.~~

~~§~~ 8.12 Fees for special examinations and investigations.

~~§~~ 8.13 Payment of interest on delinquent assessments and examination and investigation fees.

Subpart B—Assessment of Certain Other Institutions

§ 8.9 Scope and application.

The assessments contained in this subpart are made pursuant to the authority contained in 12

U.S.C. 93a, 481, 482, and 5901 *et seq.*

§ 8.10 Semiannual assessment for certain institutions.

(a) *Semiannual assessment.* This section applies to ~~Nonbank Federal Qualified Payment~~

~~Stablecoin Issuers, Foreign Payment Stablecoin Issuers subject to the OCC's jurisdiction, and~~

~~State Qualified Payment Stablecoin Issuers~~ nonbank Federal qualified payment stablecoin issuers

and State qualified payment stablecoin issuers subject to 12 U.S.C. 5903(d), except to the extent

any such institution remains solely supervised by a State payment stablecoin regulator. Each institution subject to this section shall pay to the OCC a semiannual assessment fee, due by March 31 and September 30 of each year, for the six-month period beginning on January 1 and July 1 before each payment date. Except as provided under paragraph (a)(6) of this section, the OCC will calculate the amount due under this section and provide a notice of assessments to each institution no later than 7 business days prior to collection on March 31 and September 30 of each year. In setting assessments, the semiannual assessment will be calculated as follows:

Table 1 to Paragraph (a) [Semiannual Assessment for Nonbank Federal Qualified Payment Stablecoin Issuers and Certain State Qualified Payment Stablecoin Issuers](#)

If the ~~national bank's or Federal savings association's~~ <u>institution's</u> total assets (consolidated domestic and <u>foreign subsidiaries</u>) are: ~~foreign subsidiaries~~ are:		The semiannual assessment is:		
Over—	But not over—	This amount— base amount	Plus marginal rates	Of excess over—
Column A	Column B	Column C	Column D	Column E
Million	Million	<u>Million</u>		Million
(dollars)	(dollars)	(dollars)		(dollars)
0	2	X1	0	
2	20	X2	Y1	2

20	100	X3	Y2	20
100	200	X4	Y3	100
200	1,000	X5	Y4	200
1,000	2,000	X6	Y5	1,000
2,000	6,000	X7	Y6	2,000
6,000	20,000	X8	Y7	6,000
20,000	40,000	X9	Y8	20,000
40,000	250,000	X10	Y9	40,000
250,000		X11	Y10	250,000

(1) Every institution falls into one of the asset-size brackets denoted by Columns A and B. An institution's assessment is composed of two parts. The first part is the calculation of a base amount of the assessment, which is computed on the assets of the institution, up to the lower endpoint (Column A) of the bracket in which it falls. This base amount of the assessment is calculated by the OCC in Column C.

(2) The second part is the calculation of assessments due on the institution's remaining assets in excess of Column E. The excess is assessed at the marginal rate shown in Column D.

(3) The total semiannual assessment is the amount in Column C, plus the amount of the institution's assets in excess of Column E, times the marginal rate in Column D: Assessments = $C + [(Assets - E) \times D]$.

(4) Each year, the OCC may index the marginal rates in Column D to adjust for the percentage in the level of prices, as measured by changes in the Gross Domestic Product Implicit Price Deflator (GDPIPD) for each June-to-June period. The OCC may, at its discretion, adjust marginal rates by amounts other than the percentage change in the GDPIPD. The OCC will also adjust the amounts in Column C to reflect any change made to the marginal rate.

(5) The specific marginal rates and complete assessment schedule will be published in the

"Notice of Office of the Comptroller of the Currency Fees and Assessments," provided for at ~~§~~ § 8.8. Except as otherwise provided in paragraph (a)(6) of this section, each semiannual assessment

is based upon the assets shown on [Schedule B of](#) the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date. Each institution subject to the jurisdiction of the OCC beginning on the second and fourth calendar quarters is subject to full assessment for the next period. Institutions that are no longer subject to the jurisdiction of the OCC at the end of the first and third calendar quarters, as appropriate, will receive a refund of assessments for the second three months of the semiannual assessment period.

~~(6)(i) To the extent the assets reported by an institution subject to this section on its quarterly report reflect the minimum stablecoin reserve assets that a stablecoin issuer must hold under 12~~

~~U.S.C. 5903, the~~ [\(6\) The](#) semiannual assessment for such institution shall be calculated as follows:

~~(A)~~ For assets other than those reflecting the ~~minimum~~ stablecoin reserve assets that a [permitted payment](#) stablecoin issuer ~~must hold~~ [holds](#) under 12 U.S.C. 5903, using the formula set forth under [this](#) paragraph (a) to determine the assessed amount.

~~(B)~~ For assets reflecting the ~~minimum~~ stablecoin reserve assets that a [permitted payment](#) stablecoin issuer ~~must hold~~ [holds](#) under 12 U.S.C. 5903, using the formula set forth under this paragraph (a), except that the OCC will calculate the assessed amount by reducing the resulting figure by ~~thirty-five~~ [35](#) percent, or such ~~other~~ [greater](#) percentage (up to ~~fifty-five~~ [55](#) percent) as the OCC may deem appropriate for ~~minimum~~ stablecoin reserves held by institutions subject to this section based on its experience supervising [permitted payment](#) stablecoin issuers. The OCC will publish the percentage reduction applied to assets reflecting

~~minimum~~ stablecoin reserve assets on an annual basis in the “[Notice of Office of the Comptroller of the Currency](#) Fees and Assessments.”

~~(ii) To the extent that the assets reported by the institution on its quarterly report do not reflect the minimum stablecoin reserve assets that a stablecoin issuer must hold under 12 U.S.C. 5903, the OCC shall increase the assessment set forth in this paragraph (a) for such institution to fully reflect the minimum required stablecoin reserve assets for the amount of outstanding issuances that the institution~~

~~reports.~~

(b) *Surcharge based on the condition of the permitted payment stablecoin issuer.* Subject to any limit that the OCC prescribes in the “Notice of Office of the Comptroller of the Currency Fees and Assessments,” the OCC shall apply a surcharge to the semiannual assessments computed in

accordance with paragraph (a) of this section. This surcharge will be determined by multiplying the semiannual assessment computed in accordance with paragraph (a) of this section by—

(1) 1.5, in the case of any institution subject to this section that was found at its most recent examination ~~to be a problem institution and require rehabilitation~~prior to December 31 or June 30, as appropriate, to be in less than satisfactory condition; and

(2) 2.0, in the case of any institution subject to this section that ~~to have material financial or operational deficiencies that threaten the viability of the institution~~was found at its most recent examination prior to December 31 or June 30, as appropriate, to be in deficient or critically deficient condition.

(c) *Additional assessments.* Notwithstanding paragraph (a) of this section, all State ~~Qualified Payment Stablecoin Issuers~~qualified payment stablecoin issuers subject to the OCC’s jurisdiction may be subject to the assessments described in § 8.12 in connection with carrying out the responsibilities of the Office of the Comptroller, including in connection with 12 U.S.C. 5903(d)(3) and 5906(e)(2).

§ 8.11 Fees for certain institutions engaged in custodial and safekeeping activities.

(a) This section applies to institutions subject to § 8.10 for which 50 percent or more of their interest and non-interest income is derived from custodial or safekeeping activities permitted under 12 U.S.C. 5901 *et seq.*, as reflected on the most recent quarterly report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date. The assessment for those institutions engaged in the custodial and safekeeping activities described in 12 U.S.C. 5901 *et*

seq. shall include a component for assets attributable to such activities, in addition to the assessment calculated according to § 8.10, as follows:

(1) *Minimum fee.* Institutions subject to this paragraph (a) will pay a minimum fee, to be provided in the “Notice of Office of the Comptroller of the Currency Fees and Assessments.”

(2) *Additional amount for certain assets in excess of \$1 billion.* Institutions subject to this paragraph (a) engaged in custodial and safekeeping activities permitted under 12 U.S.C. 5901 *et seq.* with assets attributable to such activities in excess of \$1 billion, as reflected on Schedule C of the most recent report filed by each institution pursuant to 12 CFR 15.14(i) preceding the payment date, will pay an amount that exceeds the minimum fee. The amount to be paid will be calculated by multiplying the amount of assets attributable to the safekeeping and custodial activities permitted under 12 U.S.C. 5901 *et seq.* by a rate or rates provided by the OCC in the “Notice of Office of the Comptroller of the Currency Fees and Assessments.”

(b) *Surcharge based on the condition of the permitted payment stablecoin issuer.* Subject to any limit that the OCC prescribes in the “Notice of Office of the Comptroller of the Currency Fees and Assessments,” the OCC shall apply a surcharge to the semiannual assessments computed in accordance with paragraph (a) of this section. This surcharge will be determined by multiplying the semiannual assessment computed in accordance with paragraph (a) of this section by—

(1) 1.5, in the case of any institution subject to this section that was found at its most recent examination ~~to be a problem institution and require rehabilitation~~ prior to December 31 or June 30, as appropriate, to be in less than satisfactory condition; and

(2) 2.0, in the case of any institution subject to this section that ~~to have material financial or operational deficiencies that threaten the viability of the institution~~ was found at its most recent examination prior to December 31 or June 30, as appropriate, to be in deficient or critically deficient condition.

§ 8.12 Fees for special examinations and investigations.

(a) *Fees*. With respect to any institution subject to the jurisdiction of the OCC under the GENIUS Act, including foreign payment stablecoin issuers subject to the OCC's jurisdiction, the OCC may assess a fee for:

(1) Conducting special examinations or investigations, including any supervision and ~~enforcement related~~ enforcement-related activities described in 12 U.S.C. 5905 or 12

U.S.C. 5906(e)(2);

(2) Conducting special examinations and investigations of affiliates of institutions subject to this subpart;

(3) Reviewing requests for waivers as referenced in 12 U.S.C. 5903(d)(3); and

(4) Conducting special examinations and investigations made pursuant to 12 CFR part 5, ~~Rules, Policies, and Procedures for Corporate Activities~~.

(b) *Notice of Office of Comptroller of the Currency Fees and Assessments*. The OCC publishes the fee schedule for special examinations and investigations under this subpart in the “Notice of Office of the Comptroller of the Currency ~~Fee~~ Fees and Assessments” described in § 8.8.

§ 8.13 Payment of interest on delinquent assessments and examination and investigation fees.

(a) ~~All institutions~~ Any institution subject to this subpart ~~B~~ shall pay to the OCC interest on its delinquent payments of semiannual assessments. In addition, each institution subject to a special examination or investigation fee shall pay to the OCC interest on its delinquent payments of special examination and investigation fees. Semiannual assessment payments will be considered delinquent if they are received after the time for payment specified in § 8.10. Special examination and investigation fees will be considered delinquent if not received by the OCC within 30 calendar days of the invoice date.

(b) In the event that an institution believes that the notice of assessments or special examination and investigation fees contains an error or miscalculation, the institution may provide the OCC

with a written request for a revised notice and a refund of any overpayments. Any such request for a revised notice and refund must be made after timely payment of the semiannual assessment

under the dates specified in § 8.10 or timely payment of the special examination and investigation fee within 30 calendar days of the invoice date.

- (1) Within 30 calendar days of receipt of such request, the OCC shall either—
 - (i) Refund the amount of the overpayment; or
 - (ii) Provide notice of its unwillingness to accept the request for a revised notice of assessments.

In the latter instance, the OCC and the entity claiming the overpayment shall thereafter attempt to reach agreement on the amount, if any, to be refunded; the OCC shall refund this amount within 30 calendar days of such agreement.

- (2) The OCC shall be considered delinquent if it fails to return an overpayment in accordance with the time limitations specified in this paragraph (b). The OCC shall pay interest on any such delinquent payments.

(c) Interest on delinquent payments, as described in paragraphs (a) and (b) of this section, will be assessed beginning the first calendar day on which payment is considered delinquent, and on each calendar day thereafter up to and including the day payment is received. Interest will be simple interest, calculated for each day payment is delinquent by multiplying the daily equivalent of the applicable interest rate by the amount delinquent. The rate of interest will be the United States Treasury Department's current value of funds rate (the "TFRM rate"); that rate is issued under the Treasury Fiscal Requirements Manual and is published quarterly in the Federal Register. The interest rates applicable to a delinquent payment will be determined as follows:

- (1) For delinquent days occurring from January 1 to March 31, the rate will be the TFRM rate that is published the preceding December for the first quarter of the ensuing year.
- (2) For delinquent days occurring from April 1 to June 30, the rate will be the TFRM rate that is published the preceding March for the second quarter of that year.

(3) For delinquent days occurring from July 1 to September 30, the rate will be the TFRM rate that is published the preceding June for the third quarter of that year.

(4) For delinquent days occurring from October 1 to December 31, the rate will be the TFRM rate that is published the preceding September for the fourth quarter of that year.

(d) If the assets reported by an institution on its most recent quarterly report filed by the institution pursuant to 12 CFR 15.14(i) preceding the payment date do not reflect the assets that institution holds under 12 U.S.C. 5903 or assets otherwise attributable to the institution's custodial and safekeeping activities as described in 12 U.S.C. 5901 et seq., the OCC may increase the assessment set forth in this subpart for such institution to fully reflect the appropriate amount of attributable assets.

13. Add subpart C, consisting of § 8.14, to read as follows:

Subpart C—General Provisions

14. Add § 8.14 within subpart C to read as follows:

Sec.

8.14 Reservation of authority.

§ 8.14 Reservation of authority.

The OCC may waive or modify the requirements of this part or adopt different procedures implementing this part, as necessary, to administer and carry out its authorities to collect assessments, fees, and other charges to meet the agency's expenses in carrying out authorized activities.

~~12~~15. Add part 15 to read as follows:

PART 15—PAYMENT STABLECOINS

Subpart A—Purpose, Scope, Definitions, ~~and~~ Severability, and Reservation of Authority

15.1 Purpose and scope.

15.2 Definitions.

15.3 Severability.

15.4 Reservation of Authority.

Subpart B—Permitted Payment Stablecoin Issuers and State Qualified Payment Stablecoin Issuers

15.10 Activities.

- 15.11 Reserve assets.
- 15.12 Redemption.
- 15.13 Risk management.
- 15.14 Audits, reports, and supervision.
- 15.15 State qualified payment stablecoin issuers.
- 15.16 Unusual and exigent circumstances.

Subpart C—Custody

- 15.20 Definitions.
- 15.21 Covered asset custodial property requirements.
- 15.22 Use of omnibus accounts.
- 15.23 Self-custody hardware and software exclusion.

Subpart D—Applications and Registrations

- 15.30 Approval of permitted payment stablecoin issuers.
- 15.31 Foreign payment stablecoin issuers.
- 15.32 Registration of foreign payment stablecoin issuers.
- 15.33 Revocation or rescission of approval.

Subpart E—Capital and Operational Backstop

- 15.40 Capital ~~elements~~.
- 15.41 Minimum capital and operational backstop.
- 15.42 Individual additional capital or backstop requirement.

Authority: 12 U.S.C. 1, 24, 27, 92a, 93a, 161, 1461, 1462a, 1463, 1464, 1467a, 1818, ~~3101~~ 3101 through 3109, 5412, 5901 through 5916.

PART 15—~~STABLECOIN~~PAYMENT STABLECOINS

Subpart A—Purpose, Scope, Definitions, ~~and~~ Severability, and Reservation of Authority

§ 15.1 Purpose and scope.

(a) *Purpose.* This part implements the Guiding and Establishing National Innovation for U.S.

Stablecoins Act (12 U.S.C. 5901 *et seq.*) (GENIUS Act) with respect to entities for which the OCC is authorized to issue regulations or exercise its enforcement authority under the Act.

(b) *Scope.* This part applies to the following entities' activities related to payment stablecoins

and certain custody activities—

- (1) National banks and their subsidiaries;
- (2) Federal savings associations and their subsidiaries;
- (3) Federal branches and their subsidiaries;
- (4) Foreign payment stablecoin issuers;
- (5) Nonbank entities that seek to be or are approved as Federal qualified payment stablecoin issuers; and

(6) State qualified payment stablecoin issuers for ~~whom~~which the OCC has regulatory or enforcement authority pursuant to § 15.15 or § 15.16.

§ 15.2 Definitions.

For purposes of this part, the following definitions apply:

Affiliate means a person that controls, is controlled by, or is under common control with another person.

Bank Secrecy Act means:

- (1) Section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);
- (2) Chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 *et seq.*); and
- (3) Subchapter II of chapter 53 of title 31, United States Code and notes thereto (31 U.S.C. 5311 *et seq.*).

Board of directors means a permitted payment stablecoin issuer’s or applicant’s board of directors or the group of individuals that ~~serve~~serves the nearest equivalent function of acting as the governing body of the permitted payment stablecoin issuer or applicant.

Business day means any day other than a Saturday, Sunday, or Federal holiday.

Control. A person controls another person if:

- (1) The person directly or indirectly or acting through one or more other persons owns, controls, or has power to vote 25 percent or more of any class of voting securities of the other person;
- (2) The person controls in any manner the election of a majority of the directors or trustees of the other person; or
- (3) The OCC determines, after notice and opportunity for hearing, that the person directly or indirectly exercises a controlling influence over the management or policies of the other person.

Customer means a person that purchases (through any consideration) the products or services of ~~another person~~ a permitted payment stablecoin issuer or foreign payment stablecoin issuer directly from the issuer or that makes a request directly to the issuer that the issuer convert, redeem, or repurchase a payment stablecoin.

Deposit means “deposit” as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C.

1813(l)).

Depository institution means:

(1) A depository institution as defined in section 3 of the Federal Deposit Insurance Act (12

U.S.C. 1813(c)(1)); or

(2) ~~A~~An insured credit union as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

Digital asset means any digital representation of value that is recorded on a cryptographically secured distributed ledger.

Director means an individual who serves on the board of directors of a permitted payment stablecoin issuer or applicant, except an advisory director who does not have the authority to

vote on matters before the board of directors or any committee of the board of directors and provides solely general policy advice to the board of directors or any committee.

Distributed ledger means technology in which:

(1) Data is shared across a network that creates a public digital ledger of verified transactions or information among network participants; and

(2) Cryptography is used to link the data to maintain the integrity of the public ledger and execute other functions.

~~*Distributed ledger protocol* means publicly available and accessible executable software deployed to a distributed ledger, including smart contracts or networks of smart contracts.~~

Eligible financial institution means:

(1) A person that:

(~~a~~i) Is eligible to hold reserve assets in custody under section 10(a) of the GENIUS Act (12 U.S.C.

5909(a));

(~~b~~ii) Complies with the applicable requirements in section 10(b), (c), and (d) of the GENIUS Act (12 U.S.C. 5909(b), (c), and (d)), including with applicable implementing regulations issued by a relevant primary Federal payment stablecoin regulator as defined in 12

U.S.C. 5901(25), primary financial regulatory agency described in 12 U.S.C. 5301(12)(B) or (C), State bank supervisor, or State credit union supervisor; and

(eiii) If applicable, enters into a custody agreement with a permitted payment stablecoin issuer documenting the person's compliance with paragraph (21)(ii) of this definition, ~~as well as~~ and has in place policies and procedures designed to ensure compliance; or

(2) A Federal Reserve Bank.

Executive officer means the president, chairman, chief executive officer, chief operating officer, chief financial officer, chief investment officer, chief risk officer, chief technology officer, and Bank Secrecy Act officer. The term includes any individual serving in the functional capacity of the listed titles or their equivalent, without regard to title, salary, or compensation.

Fair value means fair value as determined under GAAP.

FDIC means the Federal Deposit Insurance Corporation.

Federal branch has the meaning set forth in section 3 of the Federal Deposit Insurance Act (12

U.S.C. 1813(s)(2)).

Federal qualified payment stablecoin issuer means the following entities that are approved by the OCC, pursuant to § 15.30, to issue payment stablecoins—

- (1) A nonbank entity, other than a State qualified payment stablecoin issuer;
- (2) An uninsured national bank that is chartered by the OCC, pursuant to title LXII of the

Revised Statutes; or

(3) A Federal branch.

Federal Reserve means the Board of Governors of the Federal Reserve System.

Foreign payment stablecoin issuer means an issuer of a payment stablecoin that is—

- (1) Organized under the laws of, or domiciled in, a foreign country or a territory of the United States; and

(2) Not a permitted payment stablecoin issuer as defined in section 2(23) of the GENIUS Act (12

U.S.C. 5901(23)).

GAAP means generally accepted accounting principles as used in the United States.

Immediate family means the spouse of an individual, the individual's minor children, and any of the individual's children (including adults) residing in the individual's home.

Insider means a principal shareholder, an executive officer, a director, or a related interest of [a](#) or the immediate family of [a](#) any of these persons.

Insured credit union has the meaning given to that term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

Insured depository institution means:

(1) An insured depository institution, as defined in section 3 of the Federal Deposit Insurance

Act (12 U.S.C. 1813(c)(2)); and

(2) An insured credit union.

Monetary value means a national currency or deposit denominated in a national currency.

Money means:

(1) Monetary value; and

(2) Any other medium of exchange that the OCC has determined is currently authorized or

adopted by a domestic or foreign government, including a monetary unit of account established

by an intergovernmental organization or by agreement between two or more countries.

~~*National currency* means—~~

National currency means:

(1) A Federal Reserve note (as the term is used in the first undesignated paragraph of section 16

of the Federal Reserve Act (12 U.S.C. 411));

(2) Money standing to the credit of an account with a Federal Reserve Bank;

(3) Money issued by a foreign central bank; or

(4) Money issued by an intergovernmental organization pursuant to an agreement by two or more

governments.

Nonbank entity means a person that is not a depository institution or subsidiary of a depository institution.

Nonpublic personal information, as used in this part:

(1) Means information—

- (i) Provided by a customer to a permitted payment stablecoin issuer to obtain a financial product or service;
 - (ii) About a customer resulting from any transaction involving a financial product or service between the permitted payment stablecoin issuer and a customer; or
 - (iii) Otherwise obtained by the permitted payment stablecoin issuer in connection with providing a financial product or service to a customer; and
- (2) Does not include publicly available information, ~~unless such publicly available information, when combined with other information, would reveal the identity of a customer or would enable access to the customer's account.~~ including information broadly accessible through a distributed ledger.

OCC means the Office of the Comptroller of the Currency.

Outstanding issuance value means the total ~~consolidated~~ par value of all ~~of the payment stablecoins issued by~~ a permitted payment stablecoin ~~issuer's payment stablecoins~~ issuer.

Payment stablecoin, as used in this part:

- (1) Means a digital asset—
 - (i) That is, or is designed to be, used as a means of payment or settlement; and
 - (ii) The issuer of which—
 - (A) Is obligated to convert, redeem, or repurchase for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value; and
 - (B) Represents that such issuer will maintain, or creates the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value; and
- (2) Does not include a digital asset that is a—
 - (i) National currency;
 - (ii) Deposit, including a deposit recorded using distributed ledger technology; or
 - (iii) Security, as defined in section 2 of the Securities Act of 1933 (15 U.S.C. 77b), section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c), or section 2 of the Investment Company Act of 1940 (15 U.S.C. 80a–2).

Payment stablecoin holder means the beneficial owner of a payment stablecoin.

Permitted payment stablecoin issuer means a person formed in the United States that is a—
(1) Subsidiary of an insured national bank or Federal savings association that has been approved to issue payment stablecoins under § 15.30;

(2) Federal qualified payment stablecoin issuer; or
(3) State qualified payment stablecoin issuer subject to the OCC’s regulatory or enforcement authority under section 4 of the GENIUS Act (12 U.S.C. 5903).

Person means an individual, partnership, company, corporation, association, trust, estate, cooperative organization, or other business entity, incorporated or unincorporated.

Principal shareholder means a person who directly or indirectly, or acting in concert with one or more persons, or together with members of their immediate family, will own, control, or hold 10 percent or more of the voting stock of the permitted payment stablecoin issuer or applicant.

Private key means the ~~unique alphanumeric sequence that allows an individual to transfer a particular unit of a digital asset using~~cryptographic material, whether held in whole, in shares, or reconstructed ephemerally, that confers the ability to authorize a transaction on a distributed ledger.

Publicly available information means any information that a person has a reasonable basis to believe is lawfully made available to the general public from:

- (1) Federal, State, or local government records;
- (2) Widely distributed media;
- (3) Disclosures to the general public that are required to be made by Federal, State, or local law;

or

- (4) A distributed ledger.

Registered public accounting firm has the meaning set forth in section 2 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7201(12)).

Related interest of a person means:

- (1) A company that is controlled by that person; or
- (2) A political or campaign committee that is controlled by that person or the funds or services of which will benefit that person.

Reserve asset means an asset maintained by a permitted payment stablecoin issuer of a type enumerated in § 15.11(b).

Reserve asset value of a payment stablecoin means the sum of:

(1) The total fair value of reserve assets, net of any associated liabilities, other than United States coins and currency; and

(2) The total face value of reserve assets comprising United States coins and currency.

Sensitive customer information means any combination of components of customer information that would reveal the identity of the customer or allow someone access to the customer's account, including a customer's public key in conjunction with the customer's private key.

Share account means an "account" as defined in section 101 of the Federal Credit Union Act (12

U.S.C. 1752(5)).

Stablecoin Certification Review Committee has the meaning set forth in section 2 of the GENIUS Act (12 U.S.C. 5901(27)).

State means each of the several States of the United States, the District of Columbia, and each territory of the United States.

~~*State chartered depository institution* has the meaning given the term "State depository institution" in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(e)(5)).~~

State payment stablecoin regulator means a State agency that has primary regulatory and supervisory authority in such State over entities that issue payment stablecoins.

State qualified payment stablecoin issuer means ~~an entity~~ a person that is—

(1) Legally established under the laws of a State and approved to issue payment stablecoins by a State payment stablecoin regulator; and

(2) Not an uninsured national bank chartered by the OCC pursuant to title LXII of the Revised Statutes, a Federal branch, an insured depository institution, or a subsidiary of such an uninsured national bank, Federal branch, or insured depository institution.

Subsidiary has the meaning set forth in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(4)).

~~Trading volume means the aggregate number of payment stablecoins issued by a permitted payment stablecoin issuer that were purchased or sold on exchanges during a specified period of time.~~

Tokenized form means, with respect to an asset, that:

- (1) The authoritative record of the asset is maintained using distributed ledger technology, regardless of whether a corresponding non-tokenized instrument or account entry also exists; and
- (2) The legal rights conferred by the asset are identical to those that would be conferred by a non-tokenized form of the asset under applicable law.

United States customer means a customer that ~~resides in, at~~ the ~~United States~~ time of onboarding:

- (1) Is an individual and resides in the United States;
- (2) Is incorporated or organized under the laws of the United States or any State; or
- (3) Has its principal place of business in the United States.

§ 15.3 Severability.

The provisions of this part are separate and severable from one another. If any provision is stayed or determined to be invalid, it is the OCC's intention that the remaining provisions shall continue in effect.

§ 15.4 Reservation of authority.

The OCC may waive or modify the requirements of this part or adopt different procedures implementing this part, as necessary, to administer and carry out the requirements of the GENIUS Act (12 U.S.C. 5901 *et seq.*), including with respect to ensuring financial stability, ensuring timely redemption of payment stablecoins, and protecting the claims of payment stablecoin holders.

Subpart B—Permitted Payment Stablecoin Issuers and State Qualified Payment Stablecoin Issuers

§ 15.10 Activities.

(a) *Permitted activities.* A permitted payment stablecoin issuer may ~~only~~not engage in any activity other than the following:

- (1) Issue payment stablecoins;
- (2) Redeem payment stablecoins;
- (3) Manage reserves related to the issuance or redemption of payment stablecoins, including purchasing, selling, and holding reserve assets or providing custodial services for reserve assets,

consistent with applicable State and Federal law;

(4) Provide custodial or safekeeping services for payment stablecoins, required reserves, or private keys of payment stablecoins, consistent with subpart C of this part;

(5) Assess fees associated with purchasing or redeeming payment stablecoins;

(6) Act as principal or agent with respect to any payment stablecoin;

(7) Pay fees to facilitate customer transactions; ~~and~~

(8) Hold as principal non-payment stablecoin digital assets as necessary to pay fees, including customer fees and network fees, or to conduct necessary testing on distributed ledger-based platforms, provided that such principal holdings shall not exceed quantities necessary for the reasonably foreseeable conduct of such activities;

(9) Establish a trust arrangement under applicable law for reserve assets, including the granting of a security interest in reserve assets, provided that:

(i) Any security interest in reserve assets granted to the trustee is for the sole benefit of payment stablecoin holders;

(ii) The arrangement with the trustee does not impair the permitted payment stablecoin issuer's ability to timely redeem payment stablecoins in the normal course of business prior to default;

(iii) The arrangement does not introduce claims that would compete with the claims of payment stablecoin holders of payment stablecoins issued by the permitted payment stablecoin issuer in the event of the insolvency of the permitted payment stablecoin issuer; and

(iv) The arrangement with the trustee does not impair the ability of a receiver of the permitted payment stablecoin issuer to direct the prompt transfer or liquidation of the reserve assets in order to pay claims to payment stablecoin holders;

(10) Manage foreign exchange risk, subject to the requirements of § 15.13(a)(10); and

(811) Undertake any other activities, including hiring third parties, that directly support any of the activities described in paragraphs (a)(1) through (4) of this section.

(b) *Rule of construction.* Nothing in paragraph (a) of this section may be construed to limit ~~the~~:
(1) The authority of a depository institution, national bank, or trust company to engage in

activities permissible pursuant to applicable State and Federal law~~;~~ or

(2) The authority of a permitted payment stablecoin issuer to engage in an activity authorized consistent with section 4(a)(7)(B) of the GENIUS Act (12 U.S.C. 5903(a)(7)(B)).

(c) *Prohibitions.* A permitted payment stablecoin issuer must not:

(1) Use a deceptive name by using any combination of terms relating to the United States

Government, including “United States,” “United States Government,” and “USG,” in the name of the payment stablecoin. This prohibition does not apply to abbreviations relating directly to the currency to which the payment stablecoin is pegged, such as “USD”.

(2) Market a payment stablecoin in such a way that a reasonable person would perceive the payment stablecoin to be:

(i) Legal tender as described in 31 U.S.C. 5103;

(ii) Issued by the United States; or

(iii) Guaranteed or approved by the Government of the United States.

(3) Directly or through implication represent that payment stablecoins are backed by the full faith and credit of the United States, guaranteed by the United States Government, or subject to Federal deposit insurance or Federal share insurance.

(4) Pay ~~the holder of any~~ payment stablecoin holder 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.

~~(i) The OCC presumes that a permitted payment stablecoin issuer is paying interest or yield (whether in cash, tokens, or other consideration) to the holder of a payment stablecoin solely in connection with the holding, use, or retention of such payment stablecoin if:~~

~~(A) The permitted payment stablecoin issuer has a contract, agreement, or other arrangement with an affiliate of the issuer or related third party to pay interest or yield to the affiliate or related third party;~~

~~(B) The affiliate or related third party identified in paragraph (c)(4)(i)(A) of this section or, if the person~~

~~is a related third party, an affiliate of such 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 permitted payment stablecoin issuer solely in connection with the holding, use, or retention of such payment stablecoin; and~~

~~(C) To the extent the person, or an affiliate of the person, identified in paragraph (c)(4)(i)(A) is a related third party of the permitted payment stablecoin issuer because the permitted payment stablecoin issuer issues payment stablecoins on the related third party's behalf or under the related third party's branding, the arrangement identified in paragraph (c)(4)(i)(B) of this section considers the holder of the payment stablecoin to be the holder of a payment stablecoin issued by the permitted payment stablecoin issuer on the related third party's behalf or under the related third party's branding.~~

~~(ii) For purposes of paragraph (c)(4)(i) of this section, a related third party means:~~

~~(A) A person offering to pay interest or yield to payment stablecoin holders as a service; and~~

~~(B) Any person that the issuer issues payment stablecoins on the person's behalf or under the person's branding.~~

~~(iii) A permitted payment stablecoin issuer may rebut the presumption in paragraph (c)(4)(i) of this section by submitting written materials that, in the OCC's judgment, demonstrate that the contract, agreement, or other arrangement is not prohibited under paragraph (c)(4) of this section and is not an attempt to evade the prohibition.~~

(5) Pledge, rehypothecate, or reuse any reserve assets required under § 15.11 either directly or indirectly (e.g., through a third-party custodian of the reserve assets) except for the purpose of:

(i) Satisfying margin obligations in connection with investments in permitted reserves under § 15.11(b)(4) or (5);

(ii) Satisfying obligations associated with the use, receipt, or provision of standard custodial services; or

(iii) Creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins, such that reserves in the form of Treasury bills with a maturity of 93 days or less may be sold as purchased securities in repurchase agreements, provided that either:

(A) The repurchase agreements are cleared by a clearing agency registered with the Securities and Exchange Commission; or

(B) The permitted payment stablecoin issuer receives prior approval from the OCC. ~~All~~

~~repurchase agreements under this paragraph (c)(5) wherein the Treasury bills that are sold as purchased securities have a maturity of 93 days or less~~ ~~are approved by the OCC~~ by order or pursuant to paragraph (d) of this section.

(6) Engage in any activity that the OCC determines is an evasion of the requirements of section 4 of the GENIUS Act (12 U.S.C. 5903) or this part.

(d) Prior approval. Pursuant to section 4(a)(2)(C)(ii) of the GENIUS Act (12 U.S.C.

5903(a)(2)(C)(ii)) and paragraph (c)(5)(iii)(B) of this section, the OCC approves, for all

permitted payment stablecoin issuers, repurchase agreements wherein the Treasury bills that are sold as purchased securities have a maturity of 93 days or less.

§ 15.11 Reserve assets.

(a) ~~Reserve requirement~~requirements. A permitted payment stablecoin issuer must:

(1) Maintain reserve assets that:

(i) Are identifiable;

(ii) Are segregated from and not commingled with other assets owned or held by the permitted payment stablecoin issuer;

(iii) At all times have a ~~total fair~~reserve asset value that equals or exceeds the outstanding issuance value of the permitted payment stablecoin issuer; and

(iv) Are either held directly by the permitted payment stablecoin issuer or within the custody of an eligible financial institution.

(2) Demonstrate the operational capability to access and monetize the identifiable reserve assets

to meet redemptions, in both normal and adverse economic, liquidity, market, and interest rate conditions, commensurate with the permitted payment stablecoin issuer's risk profile and business model, taking into account, among other relevant factors, market access, financing channels, haircut assumptions, and operational readiness;

(3) Ensure that reserve asset value will continue to equal or exceed outstanding issuance value at all times and that the reserve asset portfolio will be capable of supporting timely redemption under both normal conditions and adverse economic, liquidity, market, and interest rate conditions, including, to the extent necessary, maintaining a buffer of reserve assets in excess of outstanding issuance value; and

~~(34)~~ Only withdraw ~~any surplus~~ reserve assets in excess of outstanding issuance value ~~once per month, upon the publication of the composition report required by paragraph (e) of this section. A permitted payment stablecoin issuer may withdraw any surplus reserve assets, calculated and reported as of the last day of the previous month, after the information in the month-end report is examined and certified pursuant to paragraph (f) of this section, provided that a permitted payment stablecoin issuer may not withdraw any reserve assets if~~ after appropriate due diligence and confirmation that the withdrawal would not cause the ~~current~~ fair reserve asset value ~~of reserve assets~~ to fall below ~~the current~~ outstanding issuance value, calculated as of the ~~day~~ time and date of withdrawal.

(b) *Composition.* The reserve assets required under paragraph (a) of this section must comprise exclusively:

(1) United States coins and currency (including Federal Reserve notes) or money standing to the credit of an account with a Federal Reserve Bank;

(2) Funds held as demand deposits ~~(or other deposits that may be withdrawn upon request at any time)~~ or insured shares ~~payable upon demand~~ at an insured depository institution (including any

foreign branches or agents, including correspondent banks, of an insured depository institution), subject to any limitation established by the FDIC and the National Credit Union Administration, as applicable, pursuant to section 4(a)(1)(A)(ii) of the GENIUS Act (12 U.S.C.

5903(a)(1)(A)(ii)) to address safety and soundness risks of such insured depository institution;

(3) Treasury bills, Treasury notes, or Treasury bonds with a remaining maturity of 93 days or less;

(4) Money received under repurchase agreements, with the permitted payment stablecoin issuer acting as a seller of securities and with a no longer than overnight maturity, that are backed by Treasury bills with a maturity of 93 days or less;

(5) Reverse repurchase agreements, with the permitted payment stablecoin issuer acting as a purchaser of securities and with a no longer than overnight maturity, that are collateralized by Treasury bills, Treasury notes, or Treasury bonds on a no longer than overnight basis, subject to overcollateralization in line with standard market terms, that are:

(i) Tri-party;

(ii) Centrally cleared through a clearing agency registered with the Securities and Exchange Commission; or

(iii) Bilateral with a counterparty that the issuer has determined to be adequately creditworthy even in the event of severe market stress;

(6) Securities that are:

~~(6) Securities issued~~ Issued by an investment company registered under section 8(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-8(a)), or other registered Government money market fund; and

~~and that are invested~~ (ii) Invested solely in underlying assets described in paragraphs (b)(1) through (5) of this section;

(7) Any other similarly liquid Federal Government-issued asset approved by the OCC, in consultation with the State payment stablecoin regulator, if applicable, of the permitted payment

stablecoin issuer, and subject to such conditions as the OCC may impose consistent with

the purposes of the GENIUS Act. In determining whether a potential reserve asset qualifies as “any other similarly liquid Federal Government-issued asset,” the OCC will consider, among other relevant factors, whether:

- (i) The asset has liquidity characteristics, including during times of stress, comparable to the other reserve assets allowed under this paragraph (b);
 - (ii) Permitted payment stablecoin issuers will be operationally capable of monetizing the asset to meet redemption requests, including sudden and high-volume requests;
 - (iii) The asset poses levels of risk comparable to those of the assets allowed under this paragraph ~~(b)~~, including interest rate risk and counterparty credit risk; and
 - (iv) ~~Whether the~~ The asset introduces additional risks that may be difficult for permitted payment stablecoin issuers to manage; or
- (8) Any reserve described in paragraphs (b)(1) through (3) ~~or paragraph~~, (b)(6), or ~~(b)~~(7) of this section in tokenized form, provided that such reserves comply with all applicable laws and regulations.

Option A for Paragraph (c)

(c) ~~Asset~~ Reserve asset diversification and concentration.

(1) A permitted payment stablecoin issuer must ~~maintain~~:

(i) Maintain reserve assets that are sufficiently diverse to manage potential credit, liquidity, interest rate, and price risks. ~~A permitted payment stablecoin issuer must measure~~

(ii) Measure and manage the risk that concentrating reserve assets at one eligible financial institution or a small number of eligible financial institutions may impair the ability of a permitted payment stablecoin issuer to satisfy redemption demands if individual eligible financial institutions are unable to return, or if there is a delay in returning, reserve assets placed by a permitted payment stablecoin issuer.

(iii) In order to comply with this paragraph (c)(1), depending on relevant factors, including a permitted payment stablecoin issuer's risk profile, business model, and portfolio of reserve assets, a permitted payment stablecoin issuer may need to maintain a portfolio of reserve assets that exceeds the requirements of paragraph (c)(2) of this section and the reserve asset value of which exceeds outstanding issuance value.

(2) A permitted payment stablecoin issuer ~~will be deemed to satisfy the requirements of paragraph (c)(1) of this section if on each business day must:~~

(i) ~~The permitted payment stablecoin issuer maintains~~Maintain at least ~~10~~5 percent of its reserve assets as ~~deposits or insured shares payable upon demand~~demand deposits (or other deposits that may be withdrawn upon request at any time), funds in share accounts that are payable on demand, or money standing to the credit of an account with a Federal Reserve Bank; and

(ii)(A) Limit its exposure to any one counterparty to no more than 40 percent of its reserve assets except as provided in paragraph (c)(2)(ii)(B) of this section.

~~(ii) The permitted payment stablecoin issuer maintains at least 30 percent of its 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;~~

~~(iii) The permitted payment stablecoin issuer maintains no more than 40 percent of its reserve assets at any one eligible financial institution, whether as deposits or insured shares at any one insured depository institution, securities custodied at any one eligible financial institution, bilateral reverse repurchase agreements with any counterparty, or through other exposures;~~

~~(iv)(B) The permitted payment stablecoin issuer maintains no more than 50 percent of the amount required~~following exposures are not subject to the limit in paragraph (c)(2)(~~iii~~ii)(A) of this section ~~at any one eligible financial institution; and;~~

~~(v) The permitted payment stablecoin issuer's total stock of reserve assets have a weighted average maturity of no more than 20 days.~~

Option B for paragraph (c)

~~(e) Asset diversification and concentration. A permitted payment stablecoin issuer must on each business day:~~

~~(1) Maintain at least 10 percent of its reserve assets as deposits or insured shares payable upon demand or money standing to the credit of an account with a Federal Reserve Bank~~Exposures to the United States Government;

~~(2) Maintain at least 30 percent of its 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;~~Exposures to an appropriate custodian, as described in paragraph (d) of this section, resulting from reserve assets being held in the custody of the custodian; and

~~(3) Maintain no more than 40 percent of its reserve assets at any one eligible financial institution, whether as deposits or insured shares at any one insured depository institution, securities custodied at any one eligible financial institution, bilateral~~Exposures resulting from centrally cleared repurchase agreements and centrally cleared reverse repurchase agreements ~~with any counterparty, or through other exposures;~~

~~(4) Maintain no more than 50 percent of the amount required in paragraph (c)(1) of this section at any one eligible financial institution; and~~

~~(5) Maintain reserve assets with a weighted average maturity of no more than 20 days.~~

~~(d) Minimum insured amount. A~~Appropriate custodians. Reserve assets in the custody of one or more eligible financial institutions will not be subject to the 40 percent limit described in paragraph (c)(2)(ii)(A) of this section, provided that the permitted payment stablecoin issuer ~~with an outstanding issuance value of \$25 billion or more must, on each business day, maintain at least 0.5 percent of its reserve assets, up to a cap of \$500 million, in the form of insured deposits or insured shares at an insured depository institution.~~

(1) Identifies itself to the custodian as a permitted payment stablecoin issuer;
(2) Ensures that the custodian commits to adhering to the requirements of section 10 of the GENIUS Act (12 U.S.C. 5909), including applicable implementing regulations; and
(3) Engages in appropriate due diligence and ongoing monitoring of its custodial arrangements to ensure compliance with applicable requirements of the GENIUS Act (12 U.S.C. 5901 et seq.), including applicable implementing regulations.

(e) *Composition report.* (1) By noon on the last day of each month, a permitted payment stablecoin issuer must publish on the website of the issuer the monthly composition of the issuer's reserves held pursuant to the GENIUS Act as of noon on the last day of the previous month ~~on the website of the issuer, using~~.

(2) The report required under this paragraph (e) must use a format substantially similar to the template provided in table 1 to this paragraph (e) ~~containing~~ and contain:

- ~~(1)~~i) The total number of outstanding payment stablecoins issued by the issuer; and
~~(2)~~ii) The amount and composition of the reserves described in paragraph (a) of this section, including the average tenor and geographic location of custody of each category of reserve instruments.

Table 1 to Paragraph (e) – Monthly Composition Template

As of YYYYMMDD In thousands of U.S. Dollars		Amount	Geographic location	Average Tenor
NUMBER OF OUTSTANDING ~~PAYMENT STABLECOINS~~ <u>PAYMENT STABLECOINS</u>				
1 ¹				
2				
3				

	TOTAL OUTSTANDING PAYMENT			
4	STABLECOINS			
FAIR VALUE OF RESERVE ASSETS				
5	Deposits:			
6	Insured deposits			
7	Uninsured deposits			
8	Treasury bills, Treasury notes, or Treasury bonds			
9	Other similarly liquid Federal Government-issued assets approved by the OCC			
10	Money received under repurchase agreements			
11	Reverse repurchase agreements			
12	Securities issued by an investment company solely invested in qualifying reserve assets			
13	Reserves in tokenized form ²			
14	<u>Total face value of reserve assets comprising United States coins and currency</u>			

~~14~~ ¹⁵	~~Total Reserve Assets~~ ³ <u>reserve assets</u> ³			
~~15~~ ¹⁶	Outstanding ~~repurchase agreement~~ <u>liabilities</u> <u>Repurchase Agreement Liabilities</u>			
~~16~~ ¹⁷	~~Total Reserve Assets net of Outstanding~~ ~~Repurchase Agreement Liabilities~~ <u>asset value</u>			

¹~~List~~¹ List different classes or brands of payment stablecoin separately, if applicable. To the extent that different classes or brands of payment stablecoins are secured by distinct pools of reserve assets, permitted payment stablecoin issuers should publish a composition table for each class or brand of payment stablecoin and describe the legal ~~mechanism~~and operational mechanisms, as applicable, for how the assets are separately secured. If different classes or brands of payment stablecoins are issued by distinct issuers, such as SPV issuers, a separate report must be provided for each class or brand.

²~~Permitted~~² Permitted payment stablecoin issuers must separately list any reserves in tokenized form by category of reserve asset, using multiple rows if appropriate.

³~~Do~~³ Do not ~~double count~~double-count any reserve assets that may be listed in more than one row for purposes of computing the total.

(f) *Monthly certification; examination of reports by registered public accounting firm.* (1) By noon on the last day of each month, a permitted payment stablecoin issuer must have the information disclosed in the previous month-end report required under paragraph (e) of this section examined by a registered public accounting firm. The registered public accounting firm's examination report must be published on the website of the issuer at the same time as the month-end report required under paragraph (e) of this section.

(2) Each month, the Chief Executive Officer and Chief Financial Officer (or the persons performing the equivalent functions) of a permitted payment stablecoin issuer must submit to the OCC a certification ~~as to the accuracy of that~~ the monthly report required under paragraph (e) of this section ~~to the OCC~~ is accurate.

(g) *Failure to meet minimum reserve assets requirement.* (1) A permitted payment stablecoin issuer must notify the OCC through its supervisory office on any day in which its reserve asset amount has fallen below the ~~required~~ minimum ~~in~~ reserve asset amount required by paragraph (a) of this section.

(2) A permitted payment stablecoin issuer that fails to satisfy the minimum reserve asset ~~requirement in~~ amount required by paragraph (a) of this section at any time:

(i) Is prohibited from issuing any new payment stablecoins immediately except as necessary to facilitate a transfer of payment stablecoins from one distributed ledger to another and provided that the net outstanding issuance value does not increase and except as otherwise permitted by the OCC; and

(ii) May not resume issuance until the permitted payment stablecoin issuer satisfies ~~its~~the minimum reserve asset requirement.

(3) If a permitted payment stablecoin issuer fails to meet ~~its~~the minimum reserve asset ~~requirement~~amount required by paragraph (a) of this section for 15 consecutive business days (which may be extended in the OCC's sole discretion), it must:

(i) Begin liquidation of reserve assets and redemption of outstanding payment stablecoins, consistent with § 15.12; and

(ii) Not charge customers a fee to redeem their payment stablecoins at any time during the liquidation.

(4)(i) If at any point the OCC determines that a permitted payment stablecoin issuer has not demonstrated that it meets the ~~reserve asset~~ requirements ~~in~~of paragraph (a), (b), (c), or (d) of this section, the OCC may require the issuer to submit a plan describing how the permitted payment stablecoin issuer will attain compliance and the timeline for the plan.

(ii) If the OCC determines, either before or after the submission of a plan, that a permitted payment stablecoin issuer faces a significant risk of being unable to attain compliance with the ~~reserve~~ requirements ~~in~~of paragraph (a), (b), (c), or (d) of this section within a reasonable period, the OCC may order the issuer to initiate redemption of all outstanding payment stablecoins.

(iii) The OCC's authority to require a ~~compliance~~ plan or order redemption does not limit the OCC's authority to pursue other measures, including enforcement actions, ~~if appropriate~~.

§ 15.12 Redemption.

(a) *Redemption timeline.* For purposes of this section:

(1) A permitted payment stablecoin issuer's obligation to redeem begins once:

(i) The permitted payment stablecoin issuer has received a redemption order from a customer;

and

(ii) If the permitted payment stablecoin issuer has onboarding procedures reasonably designed to not unduly delay the onboarding of retail or other customers, including in times of stress, the customer has been successfully onboarded, and all other legal conditions necessary to permit redemption that complies with this part have been met.

(2) Redemption is deemed to occur when the permitted payment stablecoin issuer has fully processed and initiated the outgoing transfer of monetary value to the customer or the customer's financial institution as directed by the customer, or, if requested by the customer, credited monetary value to the customer's account with the permitted payment stablecoin issuer.

(ab) *Redemption policy.* A permitted payment stablecoin issuer must publicly disclose its redemption policy and include, at a minimum, the following information in the policy:

(1) The timeframe in which the issuer will redeem payment stablecoins and the timeframe under which the issuer is required to redeem payment stablecoins under paragraph (bc)(1)(i) of this section;

(2) A statement explaining the limitation in paragraph (bc)(1)(ii2) of this section;

(3) A statement explaining the scenarios under which the redemption period may be extended as described in paragraph (ed) of this section;

(4) 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~~ payment stablecoin holder can redeem the payment stablecoin; and

(5) The minimum number of payment stablecoins, if any, that the permitted payment stablecoin

issuer will redeem, provided that the issuer must redeem any number greater than or equal to one payment stablecoin, subject to appropriate customer screening and onboarding.

(b) *Redemption policy requirements.* A permitted payment stablecoin issuer's redemption policy must provide:

~~clear~~ (1) ~~Clear~~ and conspicuous procedures for timely redemption of outstanding payment stablecoins that state:

(1) That timely redemption may not exceed two business days following the date of the requested redemption; and

(2) That any discretionary limitations on timely redemptions can only be imposed by the OCC or, in the case of a State qualified payment stablecoin issuer, by the OCC, the Federal Reserve, or the State payment stablecoin regulator, as applicable.

(2) [Reserved]

~~(c) *Timeliness extended in certain scenarios.* (1) If a permitted payment stablecoin issuer faces redemption demands in excess of 10 percent of its outstanding issuance value in a single 24-hour period, the period for timely redemption described in paragraph (b)(1) of this section is immediately extended to seven calendar days by operation of this paragraph (c)(1).~~

~~(2) The extended redemption period in paragraph (c)(1) of this section applies to all redemption requests that are outstanding at the time the 10 percent threshold is met as well as any subsequent redemption requests.~~

~~(3) A permitted payment stablecoin issuer may only redeem any of the outstanding or subsequent redemption requests described in paragraph (c)(2) of this section prior to the seven-calendar day period if the OCC determines that the issuer has the ability to redeem sooner in an orderly fashion and through a fair and transparent process or the OCC otherwise provides notice to the permitted payment stablecoin~~

~~issuer that the extended redemption period no longer applies.~~

(4d) *Timeliness extended in certain scenarios. (1)* A permitted payment stablecoin issuer must provide notice to the OCC through its supervisory office within 24 hours if ~~it~~it receives redemption requests ~~exceed~~in excess of 10 percent of ~~its~~the outstanding issuance value of any brand of payment stablecoin issued by the permitted payment stablecoin issuer in a single 24-hour period.

(2) A permitted payment stablecoin issuer that experiences redemption requests in excess of 10 percent of the outstanding issuance value of any brand of payment stablecoin issued by the permitted payment stablecoin issuer in a single 24-hour period may request that the OCC extend the timeframe for timely redemption.

(53) The OCC may ~~also~~, in its discretion, ~~extend timely redemption described in~~grant or deny an extension request under paragraph (b)(1) ~~or (c)(12)~~ of this section, ~~as applicable, if the OCC determines that the permitted payment stablecoin issuer poses a threat to safety and soundness, financial stability, or such an extension is otherwise in the public interest.~~ or impose discretionary limitations upon timely redemption in accordance with section 4(a)(1)(B)(i) of the GENIUS Act (12 U.S.C. 5903(a)(1)(B)(i)).

(de) *Disclosures and fees associated with purchase and redemption.* A permitted payment stablecoin issuer must:

(1) Publicly, clearly, and conspicuously disclose in plain language and in a format that is readily noticeable to ~~customers~~payment stablecoin holders, readily understandable by ~~customers~~payment stablecoin holders, and segregated from other information:

- (i) The name of the permitted payment stablecoin issuer that issues the payment stablecoin;
- (ii) That the permitted payment stablecoin issuer is the entity that is obligated to convert, redeem,

or repurchase the payment stablecoin for a fixed amount of monetary value;

(iii) The website that contains a link to the monthly composition report of the relevant permitted

payment stablecoin issuer's reserves required under § 15.11(e); ~~and~~

(iv) All fees associated with purchasing or redeeming payment stablecoins;

(v) That the payment stablecoin is not legal tender, issued by the United States, or guaranteed or approved by the United States; and

(vi) That payment stablecoins are not deposits, not backed by the full faith and credit of the United States, not subject to deposit insurance by the FDIC, and not subject to share insurance by the National Credit Union Administration.

(2) Update the disclosures in paragraph (d)(1)(iv) of this section if there are any changes in fees associated with purchasing or redeeming payment stablecoins and provide ~~customers~~ payment stablecoin holders at least seven calendar days' prior notice of the change, including by ~~securely~~ delivering the ~~notice to current customers;~~

notice to customers with whom the permitted payment stablecoin issuer has a current relationship;

(3) Publish the disclosures in paragraph (d)(1) of this section and any updates made in accordance with paragraph (d)(2) of this section on the permitted payment stablecoin issuer's website; and

(4) Include the disclosures in paragraph (d)(1) of this section and any updates made in accordance with paragraph (d)(2) of this section in any customer agreements ~~that it provides.~~

(f) Conflict with other applicable law. The OCC will not require a permitted payment stablecoin issuer to redeem a payment stablecoin to the extent the permitted payment stablecoin issuer's actions to redeem the payment stablecoin would cause the issuer to violate other applicable law.

§ 15.13 Risk management.

(a) *General operational and managerial standards*—(1) *Internal controls and information systems*. A permitted payment stablecoin issuer must have internal controls and information systems to support effective risk management that are appropriate for the size and complexity of the permitted payment stablecoin issuer and the nature, scope, and risk of its activities and that provide for:

(i) An organizational structure ~~with appropriate segregation of duties and an internal control structure~~ that establishes clear lines of authority and responsibility for monitoring adherence to established policies, including appropriate segregation of duties and dual controls;

(ii) Effective risk assessment;

(iii) Timely and accurate financial, operational, and regulatory reporting, including with respect to the reports required under this part;

(iv) Adequate procedures to monitor, safeguard, manage, control, and monetize assets, including reserve assets; and

(v) Compliance with applicable laws and regulations.

(2) *Internal audit system*. A permitted payment stablecoin issuer must have an internal audit system that is appropriate to the size and complexity of the permitted payment stablecoin issuer and the nature, scope, and risk of its activities and that provides for:

(i) Adequate monitoring of the system of internal controls through an internal audit function, or ~~for a,~~ if the size, complexity, or scope of operations of the permitted payment stablecoin issuer ~~whose size, complexity or scope of operations~~ does not warrant a full-scale internal audit function, a system of independent reviews of key internal controls;

(ii) Independence and objectivity;

(iii) Qualified persons responsible for the audit function;

(iv) Adequate independent testing and review of internal controls and information systems,

verification of published information available to customers, calculations for required reserves, and regulatory filings;

- (v) Adequate documentation of tests and findings and any corrective actions;
- (vi) Verification and review of management actions to address deficiencies; and
- (vii) Review by the permitted payment stablecoin issuer's audit committee or board of directors

of the effectiveness of the internal audit systems.

(3) *Interest rate exposure.* A permitted payment stablecoin issuer must:

- (i) Manage interest rate risk in a manner that is appropriate to the size and complexity of the

permitted payment stablecoin issuer and the complexity of its assets and liabilities; and

- (ii) Provide for periodic reporting to management and the board of directors regarding interest rate risk with ~~adequate~~ information sufficient for management and the board of directors to assess, to an extent commensurate with their duties, the level of risk.

(4) *Asset growth.* ~~A~~The growth of a permitted payment stablecoin ~~issuer's asset~~

~~growth~~issuer must be prudent and commensurate with a permitted payment stablecoin issuer's risk management capabilities, operational capacity, and staffing.

(5) *Earnings.* A permitted payment stablecoin issuer must establish and maintain a system that is commensurate with the permitted payment stablecoin issuer's size and complexity and the nature and scope of its operations to evaluate and monitor earnings and ensure that earnings are sufficient to support operations and maintain the capital levels required by subpart E of this part.

~~(6) Insider and affiliate transactions.~~

(6) Insider and affiliate transactions. (i) A permitted payment stablecoin issuer must ensure that transactions between the permitted payment stablecoin issuer and insiders or affiliates, alone or in the aggregate:

(A) Are not quantitatively detrimental to the permitted payment stablecoin issuer in light of the business model of the permitted payment stablecoin issuer;

(AB) ~~Are not excessive and do~~Do not pose significant risks of material financial loss;

(~~B~~C)(1) Are conducted on terms that are the same or at least as favorable to the permitted payment stablecoin issuer as those prevailing at the time for comparable transactions with or involving non-insiders ~~or~~and non-affiliates; or

(2) In the absence of comparable transactions, are offered on terms and under circumstances that, in good faith would be offered to, or would apply to non-affiliates or non-insiders; and

(~~C~~D) Are appropriately documented and reviewed by the board of directors.

(ii) A permitted payment stablecoin issuer must appropriately monitor and validate compliance with the requirements of paragraph (a)(6)(i) of this section.

(7) *Oversee service provider arrangements.* A permitted payment stablecoin issuer must:

(i) Exercise appropriate due diligence in selecting its service providers;

(ii) Require by contract its service providers ~~by contract~~ to implement appropriate measures designed to meet the applicable requirements of this part and the GENIUS Act (12 U.S.C. 5901 et seq.); and

(iii) As appropriate, monitor its service providers to confirm they have satisfied their obligations under this section. As part of this monitoring, a permitted payment stablecoin ~~issuers~~issuer must review audits, summaries of test results, or other equivalent evaluations of its service providers.

(8) *Liquidity, diversification, and concentration.* A permitted payment stablecoin issuer must:

(i) Appropriately monitor and validate compliance with the requirements of § 15.11; and

(ii) Manage liquidity and concentration risk in a manner that is appropriate to the business model and risk profile of the permitted payment stablecoin issuer.

(9) Monetization and stress testing. A permitted payment stablecoin issuer must:

(i) Ensure that the reserve asset portfolio, taken as a whole, is capable of supporting timely redemption under both normal and stressed conditions, including by conducting analyses that consider a range of redemption scenarios;

(ii) Maintain and demonstrate to the OCC the ability to reliably access and monetize reserve assets necessary to meet redemption requests in normal and stressed conditions, taking into

account:

(A) Market access;

(B) Financing channels;

(C) Haircut assumptions; and

(D) Operational readiness; and

(iii) Engage in regular stress testing of the reserve asset portfolio in order to confirm that the

portfolio of reserve assets will continue to equal or exceed outstanding issuance value in stressed conditions, including in significant positive interest rate scenarios.

(10) Foreign exchange risk. (i) A permitted payment stablecoin issuer that issues a payment stablecoin denominated in monetary value other than the United States dollar must hedge any residual foreign exchange risk identified pursuant to the monetization and stress testing requirements of paragraph (a)(9) of this section in accordance with this paragraph (10).

(ii) A permitted payment stablecoin issuer:

(A) May not take anticipatory positions or maintain residual positions in the instruments used to hedge the permitted payment stablecoin issuer's foreign exchange risk, except as necessary for the orderly establishment or unwinding of a hedging position;

(B) Must hedge to retain no more than minimal foreign exchange risk;

(C) Must not use foreign exchange risk management as a means to speculate, including with respect to the appreciation or depreciation of any national currency; and

(D) Must have in place policies and procedures that appropriately manage its foreign exchange risk and any attendant risks, including risks related to the posting or collection of margin, foreign exchange counterparties, and basis risk. The policies and procedures must include adherence to paragraph (a)(10)(iii) and (iv) of this section.

(iii) Before engaging in foreign exchange risk management, the permitted payment stablecoin issuer must provide prior notice to the permitted payment stablecoin issuer's supervisory office and receive the OCC's approval.

(iv) The permitted payment stablecoin issuer must adhere to any limit or other condition to the OCC's approval in paragraph (a)(10)(iii) of this section.

(b) *Information technology and security*—(1) *Information technology and security program*. A permitted payment stablecoin issuer must implement a comprehensive written information security risk and control framework, including a program that assesses and manages information technology and information security risks.

(2) *Board of directors approval*. The board of directors or an appropriate board committee must approve the information technology and security program described in paragraph (b)(1) of this section and oversee the development, implementation, and maintenance of the program, including the appointment of a qualified ~~Information Technology and Security Officer~~individual responsible for the program. Such oversight includes assigning specific responsibility for program implementation and review of program-related reports.

(3) *Required elements of program*. A permitted payment stablecoin issuer's information technology and security program must include:

- (i) An inventory and classification of assets, processes, and sensitivity of data;
- (ii) Controls supporting and safeguarding sensitive information and processes;
- (iii) Evaluation, validation, and reporting processes to ensure that key information technology systems and controls, including smart contracts, are operating as intended;

- (iv) Periodic independent testing; and

- (v) A comprehensive and effective incident identification and assessment process and incident response program.

(4) *Security of customer information*. A permitted payment stablecoin issuer's information technology and security program must include administrative, technical, and physical safeguards designed to:

- (i) Ensure the security and confidentiality of records containing nonpublic personal information

about a customer or sensitive customer information;

- (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.

(5) *Safe handling of digital assets*. A permitted payment stablecoin issuer must develop,

implement, and maintain appropriate measures to ensure secure handling of digital assets,

including private key management, backup, and recovery, incorporating:

- (i) Relevant technical, operational, strategic, market, legal, and compliance considerations

relating to each digital asset and its underlying ledger; and

- (ii) Material developments specifically related to supported digital assets and their underlying ledgers.

(6) ~~Adjust~~ Monitor and adjust the program. (i) A permitted payment stablecoin issuer must monitor, ~~evaluate, and adjust, as appropriate, the information technology and security program in light of any~~ relevant changes in technology, the sensitivity of its customer information, internal or external threats, and the permitted payment stablecoin issuer's own changing business arrangements, such as mergers and acquisitions, alliances ~~and~~, joint ventures, third-party arrangements, and changes to applicable information systems.

(ii) A permitted payment stablecoin issuer must evaluate and adjust its information technology and security program, as appropriate, based on the monitoring required by paragraph (b)(6)(i) of this section.

(7) *Notification of unauthorized access*—(i) *Notification to customers*. (A) When a permitted payment stablecoin issuer becomes aware of an incident of unauthorized access to sensitive customer information, including a customer's private key, the permitted payment stablecoin issuer must conduct a reasonable investigation to promptly determine the likelihood that the

information has been or will be misused.

(B) If the permitted payment stablecoin issuer determines that misuse of its information about a customer has occurred or is reasonably possible to occur, it must notify the affected or possibly affected customer and the OCC as soon as possible. Customer notice must be delayed if an appropriate law enforcement agency determines that notification will interfere with a criminal investigation and the law enforcement agency provides the permitted payment stablecoin issuer with a written request for the delay.

(C) The permitted payment stablecoin issuer must notify its customers of the misuse or possible misuse of customer information as soon as the law enforcement agency notifies the permitted payment stablecoin issuer that notification will no longer interfere with the investigation.

(ii) *Notification to group of customers.* If a permitted payment stablecoin issuer determines that the files of a group of ~~files has~~customers have been accessed improperly but is unable to identify which specific customers' information has been accessed and if the circumstances of the unauthorized access lead the permitted payment stablecoin issuer to determine that misuse of the information is reasonably possible, it must notify all customers in the group.

(8) *Information technology resilience.* A permitted payment stablecoin issuer's information technology and security program must include measures to ensure continuity of operations and recovery of critical functions ~~in the face of disruptions~~, including by conducting business impact analyses, testing ~~off~~for vulnerabilities, and testing with critical service providers.

§ 15.14 Audits, reports, and supervision.

(a) *General.* The OCC will conduct a full-scope examination of every permitted payment stablecoin issuer subject to its supervision at least once during each 12-month period, unless otherwise specified in paragraph (d) of this section.

(b) *Access to books and records.* Upon request by the OCC, permitted payment stablecoin issuers must grant the OCC prompt and complete access to all officers, directors, employees, agents, and relevant books, records, or documents of any type.

(c) *Location of examinations.* The OCC may conduct examinations of every permitted payment stablecoin issuer subject to its supervision, as specified in paragraph (a) of this section, either on-site or remotely.

(d) *Extended ~~exam~~ examination cycle for certain issuers.* Notwithstanding paragraph (a) of this section, the OCC may conduct a full-scope examination of a permitted payment stablecoin issuer subject to its supervision at least once during each 18- to ~~36~~24-month period, as determined by the OCC in its sole discretion, if the following conditions are satisfied:

(1) The permitted payment stablecoin issuer currently is not subject to a formal enforcement proceeding or order;

(2) No person acquired control, as specified in paragraph (m) of this section, of the permitted payment stablecoin issuer during the preceding 12-month period in which a full-scope examination would have been required but for this paragraph (d);

(3) The permitted payment stablecoin issuer has an outstanding issuance value, together with any affiliated permitted payment stablecoin issuers, of less than \$1 billion ~~or less than \$25 billion in total monthly trading volume~~; and

(4) The permitted payment stablecoin issuer is in compliance with all of the reserve requirements set forth in § 15.11 and the reporting requirements of this section.

(e) *Authority to conduct more frequent examinations.* This section does not limit the authority of the OCC to examine any permitted payment stablecoin issuer as frequently as the OCC deems necessary, including examinations of a limited scope.

(f) *Recordkeeping requirements.* All permitted payment stablecoin issuers must maintain a complete set of books and records in English.

(g) *Records retention policy.* All permitted payment stablecoin issuers must develop and implement a records retention policy that ensures the permitted payment stablecoin issuer can demonstrate compliance with the GENIUS Act, this part, and all applicable laws and regulations.

(h) *Confidential weekly reporting.* All permitted payment stablecoin issuers must submit to the OCC, on a weekly basis, in the manner and form specified by the OCC, a confidential report containing the information requested in the form available at www.occ.gov.

(i) *Reports of financial condition.* (1) All permitted payment stablecoin issuers must submit to the OCC a quarterly report on the financial condition of the permitted payment stablecoin issuer, including, but not limited to, income statement, expenses, balance sheet, reserves, changes in equity, investments, capital, outstanding issuance value, and assets under custody, in a standardized format as prescribed by the OCC and within 30 days of the end of the prior quarter.

Forms and instructions are available at www.occ.gov. ~~Each report of financial condition must contain a~~

(2) Each report of financial condition under paragraph (i)(1) of this section must contain a

declaration by the permitted payment stablecoin issuer's Chief Financial Officer, or the individual performing an equivalent function, that the report is true and correct to the best of their

knowledge and belief.

(3) The correctness of the report of financial condition under paragraph (i)(1) of this section must be attested to by the signatures of the directors and senior management of the permitted payment stablecoin issuer other than the officer, or the individual performing an equivalent function, making such declaration, with the attestation stating that the report has been examined by them and 2 to the best of their knowledge and belief, 2 is true and correct.

(j) *Submission of other reports.* All permitted payment stablecoin issuers must, upon request, submit to the OCC a report on:

(1) The financial condition of the permitted payment stablecoin issuer;
(2) The systems of the permitted payment stablecoin issuer for monitoring and controlling financial and operational risks;

(3) Compliance of the permitted payment stablecoin issuer and any subsidiary thereof with the GENIUS Act, and this part; and

(4) ~~Compliance~~ In the case of a Federal qualified nonbank payment stablecoin issuer, compliance of the permitted payment stablecoin issuer with the requirements of the Bank Secrecy Act and with laws authorizing the imposition of sanctions and implemented by the Secretary of the Treasury.

(k) *Ongoing compliance reporting.* (1) Not later than 180 days after the approval of an application, as ~~defined~~ set forth in § 15.30, and on an annual basis thereafter, a permitted payment stablecoin issuer must submit to the OCC a certification ~~by its board of directors~~ that the permitted payment stablecoin issuer has implemented anti-money laundering and economic sanctions compliance programs that are reasonably designed to prevent the permitted payment stablecoin issuer from facilitating money laundering, in particular, facilitating money laundering for cartels and organizations

designated as foreign terrorist organizations under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189) and the financing of terrorist activities, consistent with the requirements of the GENIUS Act.

(2) The initial certification must be provided by the permitted payment stablecoin issuer's board of directors. Subsequent certifications may be provided by the permitted payment stablecoin issuer's Bank

Secrecy Act officer, the board of directors, or an appropriate committee of the board of directors.

(l) *Audits.* A permitted payment stablecoin issuer with more than \$50 billion in total consolidated outstanding issuance value that is not subject to the reporting requirements under section 13(a) or 15(d) of the Securities ~~and~~ Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)) must prepare in accordance with GAAP an annual financial statement ~~that~~and the statement must include the disclosure of any related party transactions, as defined by GAAP.

(1) A registered public accounting firm must perform an audit of the financial statements described in this paragraph (l). The audit must be conducted in accordance with all applicable rules and auditing standards established by the Public Company Accounting Oversight Board, including those relating to auditor independence, internal controls, and related party transactions.

(2) A permitted payment stablecoin issuer required to prepare an audited annual financial statement under this paragraph (l) must:

- (i) Make the audited financial statements publicly available on the permitted payment stablecoin issuer's website; and
- (ii) Submit the audited financial statements annually, within 120 days after the end of ~~its fiscal year, to the OCC.~~

permitted payment stablecoin issuer's fiscal year, to the OCC.

~~(H)~~3 If a permitted payment stablecoin issuer is unable to timely file all or any portion of the financial statement described in paragraph (l)(2)(ii) of this section, it must submit a written notice of late filing to the OCC. The notice must:

- ~~(A)~~i Disclose the permitted payment stablecoin issuer's inability to timely file all, or specified portions, of its annual financial statement and the reasons therefore in reasonable detail;
- ~~(B)~~ii Include the date by which the financial statement will be filed; and
- ~~(C)~~iii Be filed on or before the deadline for filing the financial statement.

(m) *Changes in control.*

(1) A person seeking to acquire control, as ~~those~~the terms "acquire" and "control" are used in 12 CFR 5.50, of a permitted payment stablecoin issuer must follow the requirements of 12 CFR 5.50

as if the permitted payment stablecoin issuer were a national bank.

(2) Paragraph (m)(1) of this section does not apply to a transaction subject to the notice or application provisions under 12 CFR part 5 or § 15.30.

(n) *Use of existing reports.* In supervising and examining a permitted payment stablecoin issuer, the OCC will, to the fullest extent possible, use existing reports and other supervisory information.

(o) *Avoidance of duplication.* The OCC will, to the fullest extent possible, avoid duplication of examination activities, reporting requirements, and requests for information.

§ 15.15 State qualified payment stablecoin issuers.

(a) *Scope.* (1) This section addresses requirements related to a State qualified payment stablecoin issuer that is a nonbank entity transitioning to the OCC's regulatory framework pursuant to section 4 of the GENIUS Act (12 U.S.C. 5903).

~~(b) *Transition to Federal regulatory framework—*~~

~~(2) For purposes of this section, State qualified payment stablecoin issuer refers only to a State qualified payment stablecoin issuer that is a nonbank entity.~~

~~(b)~~ *Transition to Federal regulatory framework— (1) Transition requirements.* A State qualified payment stablecoin issuer ~~that is a nonbank entity of a payment stablecoin with an~~ a total consolidated outstanding issuance value of more than \$10 billion must:

(i) Not later than 360 days after reaching such threshold, transition to the Federal regulatory framework under this part and comply with the provisions of this part applicable to Federal qualified payment stablecoin issuers; or

(ii) Beginning on the date the State qualified payment stablecoin issuer reaches such threshold, cease issuing, on a net basis, new payment stablecoins until the issuer is under the \$10 billion total consolidated outstanding issuance value threshold.

(2) *Initial notice requirement.* (i) A State qualified payment stablecoin issuer ~~that is a nonbank entity with an~~ with a total consolidated outstanding issuance value of more than \$10 billion must provide written notification to the OCC within five calendar days after reaching such threshold.

(ii) The written notification must include the following information:

(A) The State or States that currently regulate the State qualified payment stablecoin issuer;

(B) The State qualified payment stablecoin issuer's outstanding issuance value as of the date of ~~the notice;~~

the notice;

(C) The date that the State qualified payment stablecoin issuer first reached the \$10 billion total consolidated outstanding issuance value threshold; and

(D) An indication of whether and when the State qualified payment stablecoin issuer ceased issuing, on a net basis, new payment stablecoins and whether the State qualified payment stablecoin issuer intends to seek a waiver pursuant to paragraph (d) of this section.

(3) *Capital.* (i) Within 270 days of reaching the \$10 billion total consolidated outstanding issuance value threshold, a State qualified payment stablecoin issuer ~~that is a nonbank entity~~ must submit an analysis of the issuer's current capital position and anticipated capital needs, sufficient to ensure ongoing operations, based on its business model and risk profile.

(ii) The OCC will review the submission required under paragraph (b)(3)(i) of this section and establish a minimum capital requirement pursuant to § 15.41(a)(1).

(iii) For purposes of complying with the transition requirements under paragraph (b)(1)(i) of this section, the issuer must hold minimum capital as specified under § 15.41(a)(1)(ii) prior to the issuer's transition date.

(iv) A ~~state~~ State qualified payment stablecoin issuer ~~that is a nonbank entity~~ is not required to submit a capital analysis under this paragraph (b)(3) if the issuer:

(A) Has received a waiver pursuant to paragraph (d) of this section; or

(B) Is not required to transition to the Federal regulatory framework pursuant to paragraph

(b)(1)(~~ii~~) of this section.

(4) *Compliance notice requirement and transition date.* (i) For purposes of complying with paragraph (b)(1)(i) of this section, a State qualified payment stablecoin issuer ~~that is a nonbank entity~~ must provide written notification to the OCC that it is in compliance with the Federal regulatory framework under this part. ~~If~~ or, if the State qualified payment stablecoin issuer is not in compliance with the Federal regulatory framework under this part, ~~the~~ must provide written notice ~~must identify~~ identifying the provisions with which the issuer does not comply, ~~provide~~ providing the issuer's plan for remediating its noncompliance, and ~~explain~~ explaining why the issuer did not comply with the Federal regulatory framework within the 360-day transition period.

(ii) A State qualified payment stablecoin issuer that does not cease issuing new payment stablecoins in accordance with paragraph (b)(1)(ii) of this section must transition to the regulatory framework under this part on the earlier of 360 days after reaching the \$10 billion total consolidated outstanding issuance value threshold or the date on which the State qualified payment stablecoin issuer provides written notification under paragraph (b)(4)(i) of this section.

(c) *Initial ~~Examination~~ examination.* A State qualified payment stablecoin issuer that transitions to the regulatory framework under this part must undergo an initial OCC examination at the OCC's request or no later than six months after the date on which the State qualified payment stablecoin issuer provides written notification under paragraph (b)(4)(i) of this section.

~~(d) Waiver from Federal supervision.~~

~~(d) Waiver from Federal supervision~~—(1) *Waiver request.* (i) A State qualified payment stablecoin issuer ~~that is a nonbank entity~~ seeking to remain solely supervised by a State payment stablecoin regulator must submit to the OCC a written waiver request containing information necessary to evaluate such request under paragraphs (d)(2) and (3) of this section.

(ii) A State qualified payment stablecoin issuer ~~that is a nonbank entity~~ seeking to remain solely supervised by a State payment stablecoin ~~issuer~~regulator must submit a waiver request within 240 days of reaching the \$10 billion total consolidated outstanding issuance value threshold.

(2) *Waiver criteria.* The OCC will consider the following exclusive criteria when deciding whether to grant a waiver:

(i) The capital maintained by the State qualified payment stablecoin issuer;
(ii) The past operations and examination history of the State qualified payment stablecoin issuer;
(iii) The experience of the State payment stablecoin regulator in supervising payment stablecoin and digital asset activities; and

(iv) The supervisory framework, including regulations and guidance, of the State ~~qualified~~ payment stablecoin ~~issuer~~regulator with respect to payment stablecoins and digital assets.

(3) *Waiver presumption.* (i) Except as provided in paragraph (d)(3)(ii) of this section, the OCC will approve a waiver request under this section if the relevant State payment stablecoin regulator has:

(A) Established a prudential regulatory regime (including regulations and guidance) for the supervision of digital assets or payment stablecoins as of April 19, 2025, that has been certified pursuant to section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)); and

(B) Approved one or more issuers to issue payment stablecoins under the supervision of such State payment stablecoin regulator.

(ii) Paragraph (d)(3)(i) of this section does not apply to a waiver request if the OCC finds by clear and convincing evidence that the criteria in paragraph (d)(2) of this section are not substantially met or that the State qualified payment stablecoin issuer poses significant safety and soundness risks to the financial system of the United States.

(e) Return to State framework. (1) A State qualified payment stablecoin issuer that has

transitioned to the OCC's Federal regulatory framework pursuant to this section is not generally required to comply with this part and will cease to be supervised by the OCC upon the

OCC's determination that the State qualified payment stablecoin issuer no longer exceeds \$10 billion in total consolidated outstanding issuance value.

(2) The OCC may make the determination in paragraph (e)(1) of this section upon request by the State qualified payment stablecoin issuer, supplemented by any information reasonably required by the OCC or without such a request.

§ 15.16 Unusual and exigent circumstances.

(a) *Scope.* This section addresses the OCC's authority to impose restrictions on a State qualified payment stablecoin issuer that is a nonbank entity during unusual and exigent circumstances, pursuant to section 7 of the GENIUS Act (12 U.S.C. 5906).

(b) *Unusual and exigent circumstances.* If the OCC determines that unusual and exigent circumstances exist, based on information available to the OCC, and that there is reasonable cause to believe that the continuation of any activity, including failure to act, by a State qualified payment stablecoin issuer that is a nonbank entity constitutes a serious risk to the financial safety, soundness, or stability of the nonbank entity, the OCC will impose such restrictions as the OCC determines to be necessary to address such risk during unusual and exigent circumstances in the form of a directive with the effect of a cease-and-desist order that has become final. Such restrictions may include, but are not limited to, limitations on:

(1) Redemptions of payment stablecoins;

(2) Transactions between the State qualified payment stablecoin issuer, a holding company, and the subsidiaries or affiliates of either the State qualified payment stablecoin issuer or the holding company; and

(3) Any activities of the State qualified payment stablecoin issuer that might create a serious risk

that the liabilities of a holding company and the affiliates of the holding company may be imposed on the State qualified payment stablecoin issuer.

(c) *OCC considerations for unusual and exigent circumstances.* When determining whether unusual and exigent circumstances exist under this section, the OCC will consider:

(1) Whether the State qualified payment stablecoin issuer is, or is expected to imminently be, engaging in an activity (including any act, practice, or omission) that poses an immediate risk to

the financial safety, soundness, or stability of the issuer or the financial system of the United States;

(2) The actions of the relevant State payment stablecoin regulator to promptly address the risk to the issuer or the financial system of the United States;

(3) Risks presented to payment stablecoin holders; ~~and~~

(4) Any request from the State qualified payment stablecoin issuer or State payment stablecoin regulator for the OCC to exercise its authority under section 7(e)(2) of the GENIUS Act (12

U.S.C. 5906(e)(2));

(5) Significant fluctuations in the secondary market price of payment stablecoins issued by the State qualified payment stablecoin issuer;

(6) Whether the State qualified payment stablecoin issuer has been, or will imminently be, unable to timely redeem payment stablecoins issued by the State qualified payment stablecoin issuer;

(7) Whether the State qualified payment stablecoin issuer has incurred significant unanticipated losses; and

(48) Any other ~~factors~~factor the OCC deems appropriate in light of the particular circumstances and consistent with the purposes of the GENIUS Act.

(d) *Administrative review.* The administrative review procedures described in section 7(e)(2)(D) of the GENIUS Act (12 U.S.C. 5906(e)(2)(D)) are applicable to a State qualified payment

stablecoin issuer or any institution-affiliated party, as defined in section 2(13) of the GENIUS Act (12 U.S.C. 5901(13)), subject to a directive issued under paragraph (b) of this section.

Subpart C—Custody

§ 15.20 Definitions.

For the purposes of this subpart, the following definitions apply:

Applicable law means the law of a State or other jurisdiction governing a covered custodian's custody relationships, any applicable Federal law governing those relationships, the terms of the custody agreement, and any applicable court order.

Covered assets means ~~payment~~, with respect to payment stablecoins that are offered, sold, or otherwise made available to persons in the United States, payment stablecoin reserves, payment stablecoins used as collateral, where a covered custodian has actual knowledge that such payment stablecoins are being used as collateral, and private keys used to issue payment stablecoins, as well as cash and other property received in the course of the provision of custodial or safekeeping services for such assets.

Covered custodian means a national bank, Federal savings association, Federal branch, or permitted payment stablecoin issuer to the extent of such person's provision of custodial or safekeeping services for covered assets.

Covered customer means a person for or on whose behalf a covered custodian receives, acquires, or holds covered assets.

Custody agreement means a legally binding contractual agreement between a covered customer, as the principal, and the covered custodian, as the agent, that establishes the covered custodian's duties and responsibilities in providing safekeeping and ancillary services to the covered customer.

Digital wallet means a software program or hardware device that stores and manages the private keys associated with a particular unit of a digital asset.

Sub-custodian means a person that provides custody and safekeeping services to a covered custodian,

including through a digital wallet for which ~~such~~the person controls the associated private keys, with respect to covered assets of a covered customer~~;~~ for which the covered custodian otherwise serves as a custodian under this subpart.

§ 15.21 Covered asset custodial property requirements.

(a) *Separate accounting, treatment, and dealing.* A covered custodian must separately record and

account for the covered assets of a covered customer and must treat and deal with those covered assets as belonging to such covered customer and not as the property of the covered custodian.

(b) *Protection, possession, and control.* (1) A covered custodian must take appropriate steps to protect the covered assets of covered customers from the claims of creditors of the covered custodian and any sub-custodian, as applicable, including through adopting, implementing, and maintaining written custody agreements and policies, procedures, and internal controls that are adequate to comply with applicable law and that are commensurate with the covered custodian's size, complexity, and risk profile and with the nature of the applicable covered assets for which it provides custodial or safekeeping services.

(2)(i) A covered custodian must maintain possession or control of the covered assets of a covered customer that are held directly, including in a digital wallet for which the covered custodian controls the associated private keys; however, a covered custodian may maintain the covered assets of a covered customer through the use of a sub-custodian if consistent with applicable law, provided that the covered custodian maintains adequate safeguards and internal controls reasonably

designed to provide the covered custodian with oversight of ~~such~~the sub-custodian's compliance with the requirements of this subpart.

(ii) With ~~regards~~regard to any payment stablecoin~~-or, payment~~ stablecoin reserve in the form of a tokenized asset, or private key used to issue a payment stablecoin held in safekeeping under this subpart, a covered custodian, or sub-custodian, as applicable, maintains control for purposes of ~~paragraph (b)(2)(i) of~~

this ~~section~~subpart if it can reasonably demonstrate, consistent with the standard of care established by applicable law, that no other party, including the covered customer, can transfer the payment stablecoin or tokenized asset ~~using a distributed ledger~~ without the consent of the custodian or sub-custodian, as applicable.

(c) *Withdrawals and application of covered assets.* Consistent with applicable law, a covered custodian may withdraw and apply such share of the covered assets of a covered customer necessary to transfer, adjust, or settle a transaction or transfer of assets applicable to ~~that~~the covered customer, including the payment of commissions, taxes, storage, and other charges lawfully accruing in connection with the provision of services to ~~that~~the covered customer by the covered custodian.

(d) *Holdings of cash.* Notwithstanding any other provision of this section, ~~an insured national bank or Federal savings association~~a covered custodian that provides custodial or safekeeping services, including as a sub-custodian, for covered assets that are in the form of cash may hold such cash in the form of a deposit liability, provided such treatment is consistent with Federal law.

§ 15.22 Use of omnibus accounts.

(a) *Segregation of covered assets.* A covered custodian must segregate all covered assets of covered customers from₂ and not commingle them with₂ the assets of the covered custodian, except as permitted under § 15.21(d) and 15.22(c).

(b) *Commingling covered assets.* A covered custodian may, for convenience, commingle the covered assets of multiple covered customers₂ in one or more omnibus accounts to the extent that the steps it has taken pursuant to § 15.21(b), including appropriate recordkeeping, are adequate

to maintain safe and sound practices for the use and terms of any omnibus ~~accounts~~account, and to the extent that the use of omnibus accounts is consistent with applicable law, and is fully disclosed in the

applicable custody agreement.

(c) *Use of sub-custodians.* Notwithstanding any other provision of this part to the contrary, this part does not prevent a covered custodian from custodying its own assets and the covered assets of a covered customer at a sub-custodian where the sub-custodian may, for convenience, commingle the covered custodian's assets with the covered assets of its covered customers in one or more omnibus accounts of the sub-custodian; provided that the covered custodian maintains adequate safeguards and internal controls reasonably designed to ensure that the sub-custodian segregates all covered assets of the covered custodian's covered customers from, and does not commingle such covered assets with, the assets of the sub-custodian.

§ 15.23 Self-custody hardware and software exclusion.

The requirements of this subpart do not apply to any national bank, Federal savings association, Federal branch, or permitted payment stablecoin issuer solely on the basis that such entity engages in the business of providing hardware or software to facilitate a person's ~~or entity's~~ self-custody of their ~~payment stablecoins or private keys~~. covered assets; provided that the national bank, Federal savings association, Federal branch, or permitted payment stablecoin issuer neither controls nor holds itself out as controlling the relevant private keys associated with covered assets and does not provide or hold itself out as providing safekeeping and custodial services for such covered assets.

Subpart D—Applications and Registrations

§ 15.30 Approval of permitted payment stablecoin issuers.

(a) *Application requirement—(1) Insured national banks, Federal savings associations, and insured Federal branches.* Any insured national bank, Federal savings association, or insured

Federal branch that seeks to issue payment stablecoins through a subsidiary must file an application under this section and receive prior approval from the OCC before ~~issuing~~the subsidiary may issue payment stablecoins.

(2) *Nonbank entities, uninsured national banks, and uninsured Federal branches.* Any nonbank

entity, uninsured national bank, or uninsured Federal branch that seeks to issue payment stablecoins as a Federal qualified payment stablecoin issuer must file an application under this section and receive prior approval from the OCC before issuing payment stablecoins.

(b) Application process—(1) Information required.

(i) An applicant must submit all the information required by the form for an application under this section. Forms and instructions are available at www.occ.gov.

(ii) Each director, executive officer, and principal shareholder of the applicant (or in the case of an applicant that is an insured national bank, Federal savings association, or [insured](#) Federal branch, of the subsidiary of the applicant) must submit the information prescribed in the Interagency Biographical and Financial Report [and Corporate Background and Financial Report, as applicable](#), available at www.occ.gov.

(iii) An applicant must certify that any filing or supporting material submitted to the OCC contains no material misrepresentations or omissions. ~~The OCC may review and verify any information filed in connection with an application. Any person responsible for any material misrepresentation or omission in a filing or supporting materials may be subject to enforcement action and other penalties, including criminal penalties provided in 18 U.S.C. 1001.~~

[\(iv\) An applicant must certify whether section 4\(a\)\(12\) of the GENIUS Act \(12 U.S.C. 5903\(a\)\(12\)\) applies to the applicant.](#)

(2) *Where to file.* An applicant should address an application under this section to the appropriate OCC licensing office, unless the OCC advises an applicant otherwise. Relevant addresses are listed on www.occ.gov.

(3) Substantially complete application.

(i) An application is substantially complete if it contains sufficient information for the OCC to render a decision on whether the applicant satisfies the factors set forth in paragraph [\(ed\)](#) of this section.

(ii)(A) The OCC will notify applicants not later than 30 days after receipt of an application whether the application is substantially complete.

(B) If the application is not substantially complete, the OCC will notify the applicant of the information required in order for the application to be substantially complete.

(iii) The OCC will notify applicants not later than 30 days after receipt of additional information described in paragraph (b)(3)(ii)(B) of this section whether the application is ~~now~~ substantially complete.

(iv) An application is considered substantially complete as of the date the OCC receives the information required for the application to be substantially complete.

(v) If the OCC determines that an application is substantially complete, the application remains substantially complete unless there is a material change in circumstances that ~~requires~~causes the OCC to treat the application as a new application.

(vi) The OCC will return without decision an application that remains not substantially complete 60 days after the OCC provides the notice described in paragraph (b)(3)(ii)(B) of this section.

(4) Investigation. (i) The OCC may review and verify any information filed in connection with an application. Any person responsible for any material misrepresentation or omission in a filing or supporting materials may be subject to enforcement action and other penalties, including criminal penalties provided in 18 U.S.C. 1001.

~~(4)(i) Investigation.~~ The OCC may examine or investigate and evaluate facts relating to an application under this section to the extent necessary to reach an informed decision.

(iii) The OCC may collect fingerprints of the individuals listed in paragraph (b)(1)(ii) of this section for submission to the Federal Bureau of Investigation for a national criminal history background check.

(5) *OCC review.* A substantially complete application under this section is deemed approved by the OCC as of the 120th day after the substantially complete application is received by the OCC, unless the OCC denies the substantially complete application under paragraph (d) of this section before the 120th day after the substantially complete application is received by the OCC.

(c) ~~Review factors~~ General. The OCC may approve, conditionally approve, or deny a substantially complete application under this section based on a review of the factors specified under paragraph (d) of this section.

(d) Review factors. The OCC considers the following factors when evaluating a substantially complete application:

(1) The ability of the applicant (or in the case of an applicant that is an insured national bank, Federal savings association, or insured Federal branch, the subsidiary of the applicant), based on financial condition and resources, to meet the requirements for issuing payment stablecoins under subpart B of this part;

(2) Whether any officer or director of the applicant has been convicted of a felony offense involving insider trading, embezzlement, cybercrime, money laundering, financing of terrorism, or financial fraud;

(3) The competence, experience, and integrity of the officers, directors, and principal shareholders of the applicant, its subsidiaries, and parent companies, including:

(i) The record of those officers, directors, and principal shareholders of compliance with laws and regulations; and

(ii) The ability of those officers, directors, and principal shareholders to fulfill any commitments or conditions imposed by the OCC in connection with the application filed under this section or any prior application; and

(4) Whether the applicant's redemption policy meets the standards under § 15.12-; and
(5) The ability of the applicant (or in the case of an applicant that is an insured national bank, Federal savings association, or insured Federal branch, the subsidiary of the applicant) to conduct its proposed activities in a safe and sound manner, including whether the applicant's proposed structure adequately addresses run risks and adequately ensures the ability to redeem payment stablecoins.

(~~e~~) *Denial.* (1) The OCC may deny a substantially complete application filed under this section if the OCC determines that the proposed activities would be unsafe or unsound based on the factors described in paragraph (~~e~~d) of this section.

(2) Within 30 days after the OCC denies a substantially complete application, the OCC will provide the applicant with a written explanation of the ~~disapproval~~denial, including all findings with respect to all identified material shortcomings and actionable recommendations to address the identified material shortcomings.

(~~e~~) *Appeal.*

(3) The denial of a substantially complete application under this section does not prohibit the applicant from filing a subsequent application.

(~~f~~) *Appeal.* (1) An applicant may request a ~~written or oral~~ hearing to appeal the OCC's denial of a substantially complete application within 30 days of receipt of the OCC's notice of denial.

The request for a ~~written or oral~~ hearing must be in writing. The applicant may request that the hearing be on the written record, oral testimony and oral argument, or both.

(2) If the applicant does not make a timely appeal for a hearing under this section, the OCC will notify the applicant, in writing and within 10 days of the last date the applicant would have been able to request a hearing, that the denial of the substantially complete application is the final determination of the OCC.

(3) Within 30 days of receiving a timely appeal request, the OCC will notify the applicant of a time and place at which the applicant may appear, personally or through counsel, to submit written materials ~~or~~, provide oral testimony and oral argument. ~~The, or both. If filing a written appeal, the~~ applicant must submit in writing all documents and ~~written~~ arguments that the applicant wishes to be considered ~~in support of a written appeal~~.

(4)(i) The Comptroller or authorized delegate considers all information submitted with the original substantially complete application, the material before the OCC official who made the initial denial decision, and any information submitted by the applicant at the time of appeal.

(ii) The Comptroller or authorized delegate considers all submitted documentation ~~de novo~~ anew.

(iii) The Comptroller or authorized delegate may uphold or reverse the initial decision to deny the application.

(5)(i) Within 60 days of the hearing, the Comptroller or authorized delegate will notify the applicant in writing of a final determination. ~~The final determination will explain the findings on which the determination is based.~~

(ii) The final determination will explain the findings on which the determination is based.

(iii) If the initial decision is upheld, the decision to deny the substantially complete application is effective as of the date of the original denial.

(6) The ~~denial of a substantially complete application under this section does not prohibit the applicant from filing a subsequent application.~~ OCC will determine the procedures for a hearing under this paragraph (f), including, but not limited to, the duration of the hearing; the order and timing of presentations, if applicable; and the deadlines and requirements for submission of written material.

~~(f) Safe harbor—~~

(g) Safe harbor—(1) *Insured national banks, Federal savings associations, and insured Federal*

branches. An insured national bank, Federal savings association, or insured Federal branch that has a pending substantially complete application under this section for a subsidiary to become a permitted payment stablecoin issuer on or before ~~[effective date of the GENIUS Act]~~[January 18, 2027](#), may request, in writing, that the OCC waive the requirements of ~~section 4 of~~ the GENIUS Act (12 U.S.C. ~~5903~~)[5901 et seq.](#)) or [this part](#) with respect to that subsidiary.

(2) *Nonbank entities, uninsured national banks, and uninsured Federal branches*. A nonbank entity, uninsured national bank, or uninsured Federal branch that has a pending substantially complete application under this section to become a Federal qualified payment stablecoin issuer on or before ~~[effective date of the GENIUS Act]~~[January 18, 2027](#), may request, in writing, that the OCC waive the requirements of ~~section 4 of~~ the GENIUS Act (12 U.S.C. ~~5903~~)[5901 et seq.](#)) or [this part](#) with respect to that entity.

(3) *Grant of waiver*. The OCC may grant a waiver for a period not to exceed 12 months beginning on ~~[effective date of the GENIUS Act]~~[January 18, 2027](#). The OCC may grant the waiver if it finds that ~~the waiver~~:

- (i) ~~Would~~[The waiver would](#) be in the public interest; or
 - (ii) Extraordinary circumstances justify the waiver.
- (4) *Denial notwithstanding waiver*. Notwithstanding any waiver granted under paragraph

~~(f)~~[g](#)(3) of this section, the OCC may deny a substantially complete application under paragraph

~~(d)~~[e](#) of this section.

~~(g)~~[h](#) *Nullifying a decision*—(1) *In general*. The OCC may nullify the approval of a substantially complete application under this section if:

- (i) The OCC discovers a material misrepresentation or omission in any information provided to the OCC in the application or supporting materials;
- (ii) The decision is contrary to law or regulation ~~thereunder~~; or

(iii) The decision was granted due to clerical or administrative error, or a material mistake of law or fact.

(2) *Procedure.* When the OCC intends to nullify the approval of a substantially complete application, the OCC ^a in its sole discretion, will:

- (i) Provide the applicant with notice of the intended nullification and grant the applicant an opportunity to present a written submission opposing the intended nullification; or
- (ii) Take any other action designed to provide the applicant with notice and an opportunity to present its views concerning the intended nullification.

§ 15.31 Foreign payment stablecoin issuers.

(a) *In general.* A foreign payment stablecoin issuer is not subject to the prohibitions of section 3 of the GENIUS Act (12 U.S.C. 5902) if it meets all of the ~~following~~ requirements in this paragraph (a):

(1) The foreign payment stablecoin issuer is subject to regulation and supervision by a foreign payment stablecoin regulator that has a regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins, as determined by the Secretary of the Treasury under section 18(b) of the GENIUS Act (12 U.S.C. 5916(b));

(2) The foreign payment stablecoin issuer is registered with the OCC pursuant to § 15.32;
(3)(3i) The foreign payment stablecoin issuer holds reserves in ~~United States~~eligible financial institutions incorporated or organized under the laws of the United States or any State that are sufficient to meet the liquidity demands of United States customers, unless otherwise permitted under a

reciprocal arrangement created and implemented by the Secretary of the Treasury under section 18(d) of the GENIUS Act (12 U.S.C. 5916(d)); ~~and~~ ^a

(ii) Reserves are sufficient to meet the liquidity demands of United States customers only if the foreign payment stablecoin issuer:

(A)(I) Attests that fewer than 50 percent of the foreign payment stablecoin issuer's outstanding issuance value is held by payment stablecoin holders located in the United States; and

(2) Holds reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State, the value of which equals or exceeds 50 percent of the foreign payment stablecoin issuer's outstanding issuance value;

(B)(I) Attests that it holds substantially all of its reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State; and

(2) Holds substantially all of its reserves in eligible financial institutions incorporated or organized under the laws of the United States or any State;

(C) Ensures, on an ongoing basis, that the value and composition of reserves held in eligible financial institutions incorporated or organized under the laws of the United States or any State will be capable of supporting timely redemption requests from United States customers under both normal conditions and adverse economic, liquidity, market, and interest rate conditions, including, to the extent necessary, maintaining a buffer of reserves; or

(D)(I) Submits for the OCC's prior approval a detailed proposal to meet the requirements of paragraph (a)(3)(i) of this section;

(2) Responds to all OCC requests for additional information regarding the proposal;

(3) Receives the OCC's written approval of the proposal; and

(4) Complies, on an ongoing basis, with the proposal approved by the OCC, including any conditions and limitations imposed on such approval by the OCC.

(iii) The foreign payment stablecoin issuer must only withdraw reserves in excess of the amount required by paragraph (a)(3)(i) of this section after appropriate due diligence and confirmation that the withdrawal would not cause the reserves held in eligible financial institutions

incorporated or organized under the laws of the United States or any State to fall below the amount required under paragraph (a)(3)(i) of this section, calculated as of the time and date of withdrawal; and

(4) The foreign country in which the foreign payment stablecoin issuer is domiciled and regulated is not subject to comprehensive economic sanctions by the United States or in a jurisdiction that the Secretary of the Treasury has determined to be a jurisdiction of primary money laundering concern.

~~(b) Reporting, supervision, and examination~~

(b) Reporting, supervision, and examination—(1) *In general.* A foreign payment stablecoin issuer registered with the OCC pursuant to § 15.32 ~~must fully accede to any request by the~~ OCC regarding is subject to reporting, supervision, ~~or~~ and examination ~~of the foreign~~ payment stablecoin issuer requirements as determined by the OCC.

~~(2) Reporting.~~

(2) Reporting. (i) A foreign payment stablecoin issuer registered with the OCC pursuant to § 15.32 must produce the reports required of a permitted payment stablecoin issuer under § 15.14 as well as any other reports the OCC may require.

(ii) A foreign payment stablecoin issuer may request, in writing, an exemption from any reporting requirement that would otherwise apply under § 15.14. The OCC may grant an exemption in its sole discretion.

~~(3) Examinations.~~

(3) Examinations. (i) The OCC will conduct a full-scope ~~examinations~~ examination of a foreign payment stablecoin issuer registered with the OCC under § 15.32 at the same frequency as the OCC would examine a permitted payment stablecoin issuer under § 15.14 unless the OCC determines, in its sole discretion, to examine at a different frequency.

(ii) The OCC may conduct examinations as specified in paragraph (b)(3)(i) of this section, either on-site or remotely.

~~(c) Prohibition on interest.~~

(c) Prohibition on interest. A foreign payment stablecoin issuer registered with the

OCC pursuant to § 15.32 may not pay ~~the holder of any~~a payment stablecoin holder 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 ~~stablecoins~~stablecoin.

~~(2) The OCC presumes that a foreign payment stablecoin issuer is paying interest or yield (whether in cash, tokens, or other consideration) to the holder of a payment stablecoin solely in connection with the holding, use, or retention of such payment stablecoin if:~~

~~(i) The foreign payment stablecoin issuer has a contract, agreement, or other arrangement with an affiliate of the issuer or related third party to pay interest or yield to the affiliate or related third party;~~
~~(ii) The affiliate or related third party identified in paragraph (c)(2)(i) of this section or, if the person is a related third party, an affiliate of such 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 permitted payment stablecoin issuer solely in connection with the holding, use, or retention of such payment stablecoin; and~~

~~(iii) To the extent the person, or an affiliate of the person, identified in paragraph (c)(2)(i) is a related third party of the permitted payment stablecoin issuer because the permitted payment stablecoin issuer issues payment stablecoins on the related third party's behalf or under the related third party's branding, the arrangement identified in paragraph (c)(2)(ii) of this section considers the holder of the payment stablecoin to be the holder of a payment stablecoin issued by the permitted payment stablecoin issuer on the related third party's behalf or under the related third party's branding.~~

~~(3) For purposes of paragraph (c)(2) of this section, a related third party means:~~

~~(i) A person offering to pay interest or yield to payment stablecoin holders as a service; and~~
~~(ii) Any person that the issuer issues payment stablecoins on the person's behalf or under the person's branding.~~

~~(4) A foreign payment stablecoin issuer may rebut the presumption in paragraph (c)(2) of this section by~~

~~submitting written materials that, in the OCC's judgment, demonstrate that the contract, agreement, or other arrangement is not prohibited under this paragraph (c) and is not an attempt to evade the prohibition.~~

(d) *Public availability.* The OCC makes publicly available on www.occ.gov a list of foreign payment stablecoin issuers whose registrations the OCC has approved.

§ 15.32 Registration of foreign payment stablecoin issuers.

(a) *Application required.* A foreign payment stablecoin issuer that seeks to be registered with the OCC under section 18(c) of the GENIUS Act (12 U.S.C. 5916(c)) must file an application under this section.

~~(b) *Application process—*~~

(b) *Application process—*(1) *Information required.* As part of an application under this section, an applicant must provide the following information:

(i) All the information required by the form for an application under this section. Forms and instructions are available at www.occ.gov;

(ii) Evidence that the Secretary of the Treasury has determined that the applicant is subject to [a](#) regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins, under section 18 of the GENIUS Act (12 U.S.C. 5916);

(iii) A certification that the applicant will make available to the OCC all information that the OCC deems necessary to determine and enforce compliance with the GENIUS Act [and this part](#);

(iv) The applicant's consent to United States jurisdiction relating to enforcement of the GENIUS

Act and this part; ~~and~~

(v) ~~Certification~~ [A certification](#) that any filing or supporting material submitted to the OCC contains no material misrepresentations or omissions; ~~;~~ [and](#)

[\(vi\) A certification as to whether section 4\(a\)\(12\) of the GENIUS Act \(12 U.S.C. 5903\(a\)\(12\)\) applies to the applicant.](#)

(2) *Where to file.* An applicant should address an application under this section to the appropriate OCC licensing office, unless the OCC advises an applicant otherwise. Relevant addresses are listed on www.occ.gov.

(3) *Investigation.* (i) The OCC may review and verify any information filed in connection with an application. Any person responsible for any material misrepresentation or omission in a filing or supporting materials may be subject to enforcement action and other penalties, including criminal penalties provided in 18 U.S.C. 1001.

~~(2) *Where to file.* An applicant should address an application under this section to the appropriate OCC licensing office, unless the OCC advises a filer otherwise. Relevant addresses are listed on www.occ.gov.~~

(3ii) ~~*Investigation.*~~ The OCC may examine or investigate and evaluate facts relating to an application under this section to the extent necessary to reach an informed decision.

(4) *Registration approval.* An application for registration made by a foreign payment stablecoin issuer that satisfies the requirements in paragraph (b)(1) of this section is deemed approved by the OCC as of the 30th day after the OCC received the filing, unless the OCC notifies the filer in writing that the application for registration has been rejected.

(c) *General.* The OCC may approve, conditionally approve, or reject an application under this section based on a review of the factors specified under paragraph (d) of this section.

(ed) *Review factors.* The OCC considers the following factors when evaluating an application under this section:

(1) The Secretary of the Treasury's determination that the foreign payment stablecoin issuer is subject to a regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins under section 18 of the GENIUS Act (12 U.S.C. 5916);

- (2) The financial and managerial resources of the United States operations of the foreign payment stablecoin issuer;
- (3) Whether the foreign payment stablecoin issuer will provide adequate information to the OCC to determine compliance with the GENIUS Act and this part;
- (4) Whether the foreign payment stablecoin issuer presents a risk to the financial stability of the United States, including risks relating to ensuring timely redemption for United States customers;~~and~~
- (5) Whether the foreign payment stablecoin issuer presents illicit finance risks to the United States;~~;~~ and

(6) The ability of the applicant to conduct its proposed activities in a safe and sound manner, including whether the applicant's proposed structure adequately addresses run risks and adequately ensures the ability to redeem payment stablecoins.

~~(d)~~ *Conditions of approval.* Any approval of registration under this section is subject to the following conditions:

(1) Upon request by the OCC, a foreign payment stablecoin ~~issuers~~issuer must grant the OCC prompt and complete access to all officers, directors, employees, and agents and to all relevant books, records, or documents of any type, in a form and location accessible to the OCC in the United States.

(2) The foreign payment stablecoin issuer will make all information described in paragraph ~~(d)~~(e)(1) of this section available to the OCC in English.

~~(3) The foreign payment stablecoin issuer provides evidence that it holds reserves in the United States that are sufficient to meet the liquidity demands of United States customers on an ongoing basis, unless otherwise permitted under a reciprocal arrangement implemented by the Secretary of the Treasury~~

~~under section 18(d) of the GENIUS Act (12 U.S.C. 5916(d)).~~

~~(i) The reserves must be held at United States financial institutions.~~

~~(i)(3)(i)~~ The foreign payment stablecoin issuer ~~must provide~~provides evidence that it complies with
§ 15.31(a) of this part, including by providing to the OCC, by noon on the last day of each month, a report
describing the total number of outstanding payment stablecoins issued by the foreign payment

stablecoin issuer held by United States customers and the amount and composition of the foreign
payment stablecoin issuer's reserves, including their geographic location and average tenor of reserve
instruments.

~~location and average tenor of reserve instruments, using~~ (ii) The report required in paragraph

(e)(3)(i) must use a format substantially similar to the template provided in table 1 to this
paragraph (e)(3)(ii).

Table 1 to Paragraph ~~(e)~~(3)(ii) – Monthly Composition Template

As of YYYYMMDD In thousands of U.S. Dollars		Amount	Geograph hic location	Average Tenor
NUMBER OF OUTSTANDING ~~PAYMENT STABLECOINS~~ <u>PAYMENT STABLECOINS</u> HELD BY UNITED STATES CUSTOMERS				
1 ¹				
2				
3				
4	TOTAL OUTSTANDING PAYMENT STABLECOINS HELD BY UNITED STATES CUSTOMERS			
FAIR VALUE OF RESERVE ASSETS				
5	Deposits:			

6	Insured deposits			
7	Uninsured deposits			
8	Treasury bills, Treasury notes, or Treasury bonds			
9	Other similarly liquid Federal Government-issued assets approved by <u>the</u> OCC			
10	Money received under repurchase agreements			
11	Reverse repurchase agreements			

12	Securities issued by an investment company solely invested in qualifying reserve assets			
13	Reserves in tokenized form ²			
14	<u>Total face value of reserves comprising United States coins and currency</u>			

~~14~~ 15	~~Total Reserve Assets~~ ³ <u>reserve assets</u>			
~~15~~ 16	Outstanding Repurchase Agreement Liabilities			
~~16~~ 17	~~Total Reserve Assets net of Outstanding Repurchase Agreement Liabilities~~ <u>asset value</u>			

¹ List different classes ~~of~~for brands of payment stablecoin separately, if applicable. To the extent that different classes ~~of~~for brands of payment stablecoins are secured by distinct pools of reserve assets, foreign payment stablecoin issuers should publish a composition table for each class ~~of~~for brand of payment stablecoin and describe the legal ~~mechanism~~and operational mechanisms, as applicable, for how the assets are separately secured. If different classes or brands of payment stablecoins are issued by distinct issuers, such as SPV issuers, a separate report must be provided for each class or brand.

² Foreign payment stablecoin issuers must separately list any reserves in tokenized form by category of reserve asset, using multiple rows if appropriate.

³ Do not ~~double-count~~double-count any reserve assets that may be listed in more than one row for purposes of computing the total.

(iii) The foreign payment stablecoin issuer must promptly notify the OCC through its supervisory office on any day in which the issuer fails to meet the reserve asset requirements of this paragraph (~~de~~)(3).

(iv) The foreign payment stablecoin issuer ~~will~~must promptly and fully address any

deficiency in its compliance with this paragraph (~~de~~)(3) that ~~is explained~~the OCC explains, in writing, to the foreign payment stablecoin issuer ~~in writing by the OCC,~~ including by depositing additional liquidity in ~~United States~~eligible financial institutions incorporated or organized under the laws of the United States or any State, to the extent doing so would address the deficiency identified.

(4) The foreign payment stablecoin issuer consents to the jurisdiction of the Federal courts of the United States and of all United States Government agencies, departments, and divisions for purposes of any and all claims made by, proceedings initiated by, or obligations to, the United

States, the OCC, and any other United States Government agency, department, or division, in any matter arising under the GENIUS Act and other applicable Federal laws.

(5) The foreign payment stablecoin issuer will comply with all understandings, commitments, or conditions contained in any determination by the Secretary of the Treasury or any arrangements entered into by the United States and the foreign jurisdiction under section 18 of the GENIUS Act (12 U.S.C. 5916).

(~~ef~~) *Rejection.* (1) The OCC may reject an application under this section if the OCC makes a negative finding with respect to any of the factors described in paragraph (~~ed~~) of this section or if the OCC determines that the applicant would be unable to comply with the conditions in paragraph (~~de~~) of this section.

(2) The OCC will provide written notice to the applicant of any rejection under this paragraph (~~ef~~).

(~~fg~~) *Appeal of rejection.* (1) A foreign payment stablecoin issuer may request a ~~written or oral~~ hearing to appeal the OCC's rejection of an application for registration within 30 days of receipt of the OCC's notice of rejection. ~~The request for a written or oral hearing must be in writing.~~

(2) The request for a written or oral hearing must be in writing.

(3) The foreign payment stablecoin issuer may request the hearing be on the written record, oral testimony and oral argument, or both.

(14) If the foreign payment stablecoin issuer does not make a timely appeal for a hearing under this section, the OCC will notify the applicant, in writing and within 10 days of the last date the applicant would have been able to request a hearing, that the ~~denial~~rejection of the application is the final determination of the OCC.

(25) Within 30 days of receiving a timely appeal request, the OCC will notify the applicant of a time and place at which the applicant may appear, personally or through counsel, to submit written materials ~~or~~, provide oral testimony and oral argument. ~~The foreign payment stablecoin issuer, or both. If filing a written appeal, the applicant~~ must submit in writing all documents and ~~written~~ arguments that the ~~foreign payment stablecoin issuer~~applicant wishes to be considered ~~in support of a written appeal~~.

(36)(i) The Comptroller or authorized delegate considers all information submitted with the original application for registration, the material before the OCC official who made the initial decision, and any information submitted by the appellant at the time of appeal.

(ii) The Comptroller or authorized delegate considers all submitted documentation ~~de novo~~. anew.

(iii) The Comptroller or authorized delegate may uphold or reverse the initial decision to reject the registration.

(47)(i) Within 60 days of the hearing, the Comptroller or authorized delegate will notify the foreign payment stablecoin issuer in writing of a final determination.

(ii) The final determination will explain the findings on which the determination is based.

(iii) If the initial decision is upheld, the decision to ~~deny~~reject the application is effective as of the date of the original ~~denial~~rejection.

(58) The ~~denial~~rejection of an application under this section does not prohibit the

applicant from filing a subsequent application.

(9) The OCC will determine the procedures for a hearing under this paragraph (g), including, but not limited to, the duration of the hearing; the order and timing of presentations, if applicable; and the deadlines and requirements for submission of written material.

(gh) *Nullifying a decision*—(1) *In general*. The OCC may nullify the approval of a registration under this section if:

- (i) The OCC discovers a material misrepresentation or omission in any information provided to the OCC in the application or supporting materials;
- (ii) The decision is contrary to law or regulation ~~thereunder~~; or
- (iii) The decision was granted due to clerical or administrative error, or a material mistake of law or fact.

(2) *Procedure*. When the OCC intends to nullify the approval of a registration, the OCC_a in its sole discretion, will:

- (i) Provide the applicant with notice of the intended nullification decision and grant the applicant an opportunity to present a written submission opposing the intended nullification; or
- (ii) Take any other action designed to provide the applicant with notice and an opportunity to present its views concerning the intended nullification.

§ 15.33 Revocation or rescission of approval.

(a) *Revocation of approval of a permitted payment stablecoin issuer*—(1) *In general*. The OCC may revoke approval of a permitted payment stablecoin issuer's application under § 15.30 if the permitted payment stablecoin issuer does not submit the certification required by § 15.14(k).

(2) *Procedures*—(i) *Notice and hearing*. Except as otherwise provided in this section, the OCC may issue an order to revoke the permitted payment stablecoin issuer's application approval under §

15.30 after providing notice to the permitted payment stablecoin issuer and after providing an opportunity for a hearing.

(ii) *Procedures for hearing.* The OCC will conduct a hearing under this section pursuant to the

OCC's Rules of Practice and ~~Procedures~~Procedure in 12 CFR part 19.

(iii) *Expedited procedure.* The OCC may act without providing an opportunity for a hearing if it determines that expeditious action is necessary in order to protect the public interest.

When the

OCC finds that it is necessary to act without providing an opportunity for a hearing, the OCC₃ in its sole discretion, may:

(A) Provide the permitted payment stablecoin issuer with notice of the intended revocation of application approval;

(B) Grant the permitted payment stablecoin issuer an opportunity to present a written submission opposing revocation of application approval; or

(C) Take any other action designed to provide the permitted payment stablecoin issuer with notice and an opportunity to present its views concerning the revocation of application approval.

(3) *Effect of ~~rescission~~revocation.* A decision to revoke an application approval is effective upon provision of notice to the permitted payment stablecoin issuer, unless otherwise specified by the OCC.

(b) *Rescission of foreign payment stablecoin issuer registration—(1) In general.* The OCC may, in consultation with the Secretary of the Treasury, rescind approval of a registration of a foreign payment stablecoin issuer under § 15.32 if the OCC determines that the foreign payment stablecoin issuer is not in compliance with the requirements of the GENIUS Act, including for maintaining insufficient reserves or posing an illicit finance risk or financial stability risk.

(2) *Procedures*—(i) *Notice and hearing*. Except as otherwise provided in this section, the OCC may issue an order to rescind the foreign payment stablecoin issuer’s registration approval under § 15.32 after providing notice to the foreign payment stablecoin issuer and providing an opportunity for a hearing.

(ii) *Procedures for hearing*. The OCC will conduct a hearing under this section pursuant to the OCC’s Rules of Practice and ~~Procedures~~Procedure in 12 CFR part 19.

(iii) *Expedited procedure*. The OCC may act without providing an opportunity for a hearing if it determines that expeditious action is necessary in order to protect the public interest. When the

OCC finds that it is necessary to act without providing an opportunity for a hearing, the OCC, in its sole discretion, may:

- (A) Provide the foreign payment stablecoin issuer with notice of the intended ~~reeission~~rescission of approval registration;
- (B) Grant the foreign payment stablecoin issuer an opportunity to present a written submission opposing ~~reeission~~rescission of approval registration; or
- (C) Take any other action designed to provide the foreign payment stablecoin issuer with notice and an opportunity to present its views concerning the ~~reeission~~rescission of approval registration.

(3) *Effect of rescission*. A decision to rescind approval of a registration is effective upon publication in the Federal Register, unless otherwise specified by the OCC.

Subpart E—Capital and Operational Backstop

§ 15.40 ~~Capital elements~~.

(a) *Capital*~~elements~~. The total of a permitted payment stablecoin issuer’s equity accounts, as determined under U.S. GAAP, less deductions specified in paragraph (b) of this section, must meet or exceed the minimum capital requirement ~~must consist of common equity tier 1 capital and additional tier 1 capital~~in § 15.41(a).

~~(b) *Common equity tier 1 capital.* Common equity tier 1 capital is the sum of the common equity tier 1 capital elements in this paragraph (b). The common equity tier 1 capital elements are:~~

~~(1) Any common stock instruments (plus any related surplus) issued by the permitted payment stablecoin issuer, net of treasury stock, that meet all the following criteria:~~

~~(i) The instrument is paid in, issued directly by the permitted payment stablecoin issuer, and represents the most subordinated claim in a receivership, insolvency, liquidation, or similar proceeding of the permitted payment stablecoin issuer;~~

~~(ii) The holder of the instrument is entitled to a claim on the residual assets of the permitted payment stablecoin issuer that is proportional with the holder's share of the permitted payment stablecoin issuer's issued capital after all senior claims have been satisfied in a receivership, insolvency, liquidation, or similar proceeding;~~

~~(iii) The instrument has no maturity date, can only be redeemed via discretionary repurchases with the prior approval of the OCC, and does not contain any term or feature that creates an incentive to redeem;~~

~~(iv) The permitted payment stablecoin issuer did not create at issuance of the instrument through any action or communication an expectation that it will buy back, cancel, or redeem the instrument, and the instrument does not include any term or feature that might give rise to such an expectation;~~

~~(v) Any cash dividend payments on the instrument are paid out of the permitted payment stablecoin issuer's net income or retained earnings and are not subject to a limit imposed by the contractual terms governing the instrument;~~

~~(vi) The permitted payment stablecoin issuer has full discretion at all times to refrain from paying any dividends and making any other distributions on the instrument without triggering an event of default, a requirement to make a payment in kind, or an imposition of any other~~

~~restrictions on the permitted payment stablecoin issuer;~~

~~(vii) Dividend payments and any other distributions on the instrument may be paid only after all legal and contractual obligations of the permitted payment stablecoin issuer have been satisfied, including payments due on more senior claims;~~

~~(viii) The holders of the instrument bear losses as they occur equally, proportionately, and simultaneously with the holders of all other common stock instruments before any losses are borne by holders of claims on the permitted payment stablecoin issuer with greater priority in a receivership, insolvency, liquidation, or similar proceeding;~~

~~(ix) The paid-in amount is classified as equity under GAAP;~~

~~(x) The permitted payment stablecoin issuer, or an entity that the permitted payment stablecoin issuer controls, did not purchase or directly or indirectly fund the purchase of the instrument;~~

~~(xi) The instrument is not secured, not covered by a guarantee of the permitted payment stablecoin issuer or of an affiliate, and is not subject to any other arrangement that legally or economically enhances the seniority of the instrument;~~

~~(xii) The instrument has been issued in accordance with applicable laws and regulations; and~~

~~(xiii) The instrument is reported on the permitted payment stablecoin issuer's financial statements separately from other capital instruments.~~

~~(2b) Retained earnings~~Capital deductions—(1) Intangible assets and deferred tax assets.

~~(3) Accumulated other comprehensive income (AOCI) as reported under GAAP.~~

~~(4) Notwithstanding the criteria for common stock instruments referenced in paragraph (b)(1) of this section, common stock issued by the permitted payment stablecoin issuer and held in trust for the benefit of its employees as part of an employee stock ownership plan does not violate any~~

~~of the criteria in paragraph (b)(1)(iii), (iv), or (xi) of this section, provided that any repurchase of the stock is required solely by virtue of the Employee Retirement Income Security Act of 1974 (ERISA) for an instrument of a permitted payment stablecoin issuer that is not publicly traded. In addition, an instrument issued by a permitted payment stablecoin issuer to its employee stock ownership plan does not violate the criterion in paragraph (b)(1)(x) of this section.~~

~~(e) Additional tier 1 capital. Additional tier 1 capital is the sum of additional tier 1 capital elements and any related surplus. Additional tier 1 capital elements are:~~

~~(1) Instruments (plus any related surplus) that meet the following criteria:~~

- ~~(i) The instrument is issued and paid in Goodwill;~~
- ~~(ii) Any other intangible asset as determined under U.S. GAAP; and~~
- ~~(iii) Deferred tax assets, net of valuation allowances.~~

~~(2) Operational backstop assets funded by equity. The total operational backstop assets required under § 15.41(b), less the amount of operational backstop debt as defined in paragraph (c) of this section.~~

~~(c) Operational backstop debt. Operational backstop debt consists of debt instruments in an amount that in total does not exceed 50 percent of the operational backstop requirement in § 15.41(b) and where each debt instrument:~~

~~(1) Is issued and paid in;~~

~~(ii) The instrument is is subordinated to the claims of payment stablecoin~~

~~holders; and general creditors, and subordinated debt holders of the permitted payment stablecoin issuer in a receivership, insolvency, liquidation, or similar proceeding;~~

~~(iii) The instrument is not secured, not~~ (3) Is unsecured, including not being backed by the establishment of any fund for payment prior to maturity, covered by a guarantee ~~of the permitted payment stablecoin issuer or of an affiliate, and not, or~~ subject to any other arrangement that legally or economically enhances the seniority of the instrument;

~~(iv) The instrument has no maturity date and does not contain a dividend step-up or any other term or feature that creates an incentive to redeem;~~

~~(v) If callable by its terms, the instrument may be called by the permitted payment stablecoin issuer only after a minimum of five years following issuance, except that the terms of the instrument may allow it to be called earlier than five years upon the occurrence of a regulatory event that precludes the instrument from being included in additional tier 1 capital or a tax event~~

~~that impacts the taxation of the instrument. In addition:~~

(4) Has a minimum maturity date of at least five years. At the beginning of each of the last five years of the life of the instrument, the maximum amount of the instrument that is eligible to be included as operational backstop debt decreases by 20 percent per year of the otherwise full qualifying amount, and the instrument is excluded from operational backstop debt completely when the remaining maturity is less than one year;

(5) May be callable by its terms only after a minimum of five years after issuance and only with the prior written approval of the OCC. In addition, the permitted payment stablecoin issuer must either replace the instrument to be called with an equivalent amount of a new instrument meeting the criteria for operational backstop debt or demonstrate in writing to the OCC that the permitted payment stablecoin issuer has sufficient capital to meet its minimum capital requirement in § 15.41;

(6) Allows for scheduled repayment of principal only at maturity and does not allow for the acceleration of any principal or interest payment, except in the event of the receivership,

insolvency, liquidation, or similar proceeding, as applicable, of the permitted payment stablecoin issuer;

(7) Does not have a credit-sensitive feature, but may include a variable interest rate based on prevalent market interest rates;

~~(A8) The~~Does not prohibit the permitted payment stablecoin issuer ~~must receive prior approval from the OCC to exercise a call option on the instrument;~~from issuing other capital or debt instruments; and

(9) Is not funded, directly or indirectly, by any affiliate of the permitted payment stablecoin issuer.

~~(B) The permitted payment stablecoin issuer does not create at issuance of the instrument,~~

through any action or communication, an expectation that the call option will be exercised; and

(C) Prior to or simultaneously with exercising the call option, ~~the permitted payment stablecoin issuer must either replace the instrument to be called with an~~ equal amount of common equity tier 1 or additional tier 1 instruments or demonstrate to the satisfaction of the OCC that following redemption, ~~the permitted payment stablecoin issuer will continue to hold capital commensurate with its risk;~~

(vi) Redemption or repurchase of the instrument requires prior approval from the OCC;

(vii) ~~The permitted payment stablecoin issuer has full discretion at all times to cancel dividends or other distributions on the instrument without triggering an event of default, a requirement to make a payment in kind, or an imposition of other restrictions on the permitted payment stablecoin issuer except in relation to any distributions to holders of common stock or instruments that are *pari passu* with the instrument;~~

(viii) ~~Any cash dividend payments on the instrument are paid out of the permitted payment stablecoin issuer's net income or retained earnings;~~

(ix) ~~The instrument does not have a credit sensitive feature, such as a dividend rate that is reset periodically based in whole or in part on the permitted payment stablecoin issuer's credit quality, but may have a dividend rate that is adjusted periodically independent of the permitted payment stablecoin issuer's credit quality, in relation to general market interest rates or similar adjustments;~~

(x) The paid-in amount is classified as equity under GAAP;

(xi) ~~The permitted payment stablecoin issuer, or an entity that the permitted payment stablecoin issuer controls, did not purchase or directly or indirectly fund the purchase of the instrument; and~~

(xii) ~~The instrument does not have any features that would limit or discourage additional issuance of capital by the permitted payment stablecoin issuer, such as provisions that require the permitted payment stablecoin issuer to compensate holders of the instrument if a new instrument is issued at~~

~~a lower price during a specified time frame.~~

~~(2) [Reserved]~~

§ 15.41 Minimum capital and operational backstop.

(a) *Minimum capital requirement.* A permitted payment stablecoin issuer must hold minimum capital as follows:

~~(1) *De novo capital requirement.*~~

(1) *De novo capital requirement.* (i) A de novo permitted payment stablecoin issuer must hold minimum capital equal to the greater of:

~~(A) For:~~

~~(1A)~~ ~~A Federal qualified payment stablecoin issuer approved by the OCC, the~~ The amount specified as part of its OCC licensing or chartering conditions; or

~~(2) A State qualified payment stablecoin issuer, the amount as specified under § 15.15(b)(3)(ii);~~

~~or~~

(B) \$5 million.

(ii) A de novo permitted payment stablecoin issuer means a permitted payment stablecoin issuer that has received OCC approval to issue a payment stablecoin under this part within the prior 3 years or a State qualified payment stablecoin issuer that has transitioned to the Federal regulatory framework under this part within the prior 3 years and has not received a waiver under § 15.15(d).

(iii) A de novo permitted payment stablecoin issuer must hold this minimum amount for 36 months, or for a shorter or longer period as specified as part of its chartering conditions or as

subsequently determined by the OCC based on the experience of the permitted payment stablecoin issuer.

~~(2) *Ongoing capital requirement.*~~

(2) *Ongoing capital requirement.* (i) A permitted payment stablecoin issuer must maintain capital commensurate with the level and nature of all risks to which the permitted payment stablecoin issuer is exposed, including risks for ~~off-balance~~ sheetoff-balance-sheet activities.

(ii) A permitted payment stablecoin issuer must have a process for assessing its overall capital adequacy in relation to its business model and risk profile and a comprehensive strategy for sustaining an appropriate level of capital to maintain ongoing operations.

(iii) A permitted payment stablecoin issuer must hold minimum capital of no less than \$5 million.

(b) *Operational backstop* requirement. A permitted payment stablecoin issuer must maintain assets:

(1) Equal to 12 months of total expenses.

(i) In the case of a permitted payment stablecoin issuer that has provided quarterly reports under

§ 15.14 for one year or more, the permitted payment stablecoin issuer must calculate the amount required under this paragraph (b)(1) using the quarterly expenses reported in the current quarterly report and the three immediately preceding reports.

(ii) For each calendar quarter in the preceding 12 months for which the permitted payment stablecoin issuer has not filed a quarterly report required under § 15.14, the permitted payment stablecoin issuer must calculate its expenses using:

(A) Actual expenses, in the case of a permitted payment stablecoin issuer that was in operation during a calendar quarter in which it did not file a quarterly report under § 15.14; or

(B) Reasonably determined expenses, which may include annualizing expenses from other quarters, in the case of any other permitted payment stablecoin issuer.

(iii) A permitted payment stablecoin issuer may exclude one-time expenses that are wholly unrelated to the continuing operation of the permitted payment stablecoin issuer from the calculation under paragraph (b)(1)(i) or (ii) of this section with prior written approval of the OCC.

(iv) If a permitted payment stablecoin issuer acquires another permitted payment

stablecoin issuer, the historical expenses of the acquired permitted payment stablecoin issuer must be added to the historical expenses of the acquiring permitted payment stablecoin issuer.

(2) Consisting of:

(i) United States coins and currency (including Federal Reserve notes) or money standing to the credit of an account with a Federal Reserve Bank;

(ii) Demand deposits or ~~insured shares~~ funds in share accounts that are payable on demand at a U.S. insured depository institution, the balances of which are fully insured by the FDIC or the National Credit Union Administration; and

(iii) U.S. Treasury bills, notes, or bonds with a remaining maturity of 93 days or less, or issued with a maturity of 93 days or less; and

(3) Separately identified from any reserve assets required under § 15.11 or other assets of the permitted payment stablecoin issuer on the reports filed under § ~~15.14.14.~~

(c) *Failure to meet minimum capital or backstop requirements.* (1) A permitted payment stablecoin issuer must comply with its minimum capital and backstop requirements at all times.

(i) A permitted payment stablecoin issuer must notify the OCC within 24 hours if it fails to meet either the minimum capital or backstop requirement during a quarter.

~~(4ii)~~ A permitted payment stablecoin issuer must ~~comply with its~~ publicly report whether it has complied with the minimum capital and backstop requirements ~~at~~ during the ~~end of each~~ quarter ~~based on the amounts reported in the most recent~~ report required under § 15.14(i).

(2) A permitted payment stablecoin issuer that fails to satisfy its minimum capital or backstop requirement during a quarter and remains noncompliant at the end of ~~a~~ the quarter is prohibited from issuing any new payment stablecoins starting on the first day of the following month and until such time as it satisfies its minimum capital and backstop

requirements, except as necessary to facilitate a transfer of payment stablecoins from one distributed ledger to another and provided that the net outstanding issuance value does not increase ~~starting on the first day of the following month and until such time as it satisfies its minimum capital and backstop requirements.~~

(3) If a permitted payment stablecoin issuer fails to meet its minimum capital or backstop requirements at the end of two consecutive quarters, it must:

(i) Begin liquidation of reserve assets and redemption of outstanding payment stablecoins, consistent with § 15.12;

(ii) Not charge customers a fee to redeem their payment stablecoins; and

(iii) Not issue any new payment stablecoins going forward.

(4) After notification to the OCC under paragraph (c)(1)(i) of this section, the OCC may impose the restrictions described in paragraph (c)(2) of this section prior to the end of the quarter if it does not appear that the permitted payment stablecoin issuer will regain compliance with the minimum capital or operational backstop requirements, or as otherwise may be necessary for the protection of payment stablecoin holders.

(5) Notwithstanding paragraphs (c)(2) and (c)(3) of this section, the OCC may permit a permitted payment stablecoin issuer to continue operations while its operational backstop is below the required amount if the backstop assets were liquidated to address a temporary disruption or other

operational event, the permitted payment stablecoin issuer provides a plan within seven days to regain compliance with the operational backstop requirement within 90 days, and the OCC deems the plan viable.

(d) *Uninsured national trust bank minimum capital requirement.*

(1) (1) An uninsured national trust bank, whether or not it is a permitted payment stablecoin issuer, may elect to comply with ~~the minimum capital requirement in paragraph (a) of this section and backstop requirement in paragraph (b) of this section~~all

of the requirements in §§ 15.40 through 15.42 in lieu of complying with the ~~minimum capital and leverage~~ requirements in 12 CFR part 3 upon receipt of the OCC's prior approval.

(2) To make the election described in paragraph (d)(1) of this section, ~~or rescind a prior election,~~ an uninsured national trust bank must submit a ~~notice~~ written request for prior approval to the appropriate OCC supervisory office. ~~The election becomes effective 30 days after OCC receipt, unless the OCC provides a written objection based on good cause within that timeframe,~~ along with documentation sufficient to support the bank's minimum capital and operational backstop amounts.

(3) The OCC will approve or deny the request within 60 days after OCC receipt of a complete request.

(4) An uninsured national trust bank may rescind an approved election under this paragraph (d) by submitting a notice to the appropriate OCC supervisory office. The rescission is effective upon receipt by the OCC.

~~(35)~~ Notwithstanding paragraph (d)(1) of this section, an uninsured national trust bank must: comply ~~(i) Comply~~ with any OCC enforcement action, order, directive, or document that specifies ~~an otherwise applicable~~ a different minimum capital requirement; ~~and that applies to the national trust bank.~~

~~(ii) Continue to follow the definition of capital in 12 CFR part 3, subpart C, including any adjustments or deductions, but cannot include any Tier 2 capital instrument as described in 12 CFR 3.20(d).~~

§ 15.42 Individual additional capital or operational backstop requirement.

(a) *Applicability.* The OCC may require an additional capital or backstop requirement for ~~an individual~~ a permitted payment stablecoin issuer ~~in view of its~~ if appropriate under the particular facts and circumstances. For example, an additional capital or backstop requirement may be appropriate for:

- (1) Failure of management to assess an appropriate capital requirement to support ongoing operations consistent with the permitted payment stablecoin issuer's business model and risk profile;
 - (2) A permitted payment stablecoin issuer that has, or is expected to have, losses resulting in capital inadequacy;
 - (3) A permitted payment stablecoin issuer with significant exposure due to management's overall inability to monitor and control financial and operating risks;
 - (4) A permitted payment stablecoin issuer that is experiencing significant volatility in [payment](#) stablecoin issuance or redemption;
 - (5) A permitted payment stablecoin issuer with significant exposure due to fiduciary or operational risk;
 - (6) A permitted payment stablecoin issuer's significant ~~off-balance-sheet~~[off-balance-sheet](#) activities; or
 - (7) A permitted payment stablecoin issuer that may be adversely affected by the activities or condition of its affiliate(s), or other persons or institutions, with which it has significant business relationships.
- (b) *Standards for determination.* The factors to be considered in the determination will vary in each case and may include, for example:
- (1) The conditions or circumstances leading to the OCC's determination that an additional capital or backstop requirement is appropriate or necessary for the permitted payment stablecoin issuer;
 - (2) The exigency of those circumstances or potential problems;
 - (3) The overall condition, management strength, and future prospects of the permitted payment stablecoin issuer and, if applicable, its affiliate(s);
 - (4) The permitted payment stablecoin issuer's liquidity, capital, and stablecoin reserve assets compared to its peer group; and
 - (5) The views of the permitted payment stablecoin issuer's owners and senior management in

any response provided under paragraph (c)(2) of this section.

~~(e) Procedures—~~

~~(c) Procedures—~~(1) *Notice*. When the OCC determines that an additional capital or

backstop requirement above that set forth in § 15.41 ~~are~~is necessary or appropriate for a particular permitted payment stablecoin issuer, the OCC will notify the permitted payment stablecoin issuer in writing of the proposed additional capital or backstop requirement and the date by which the requirement should be reached (if applicable) and will provide an explanation of why the requirement proposed is considered necessary or appropriate for the permitted payment stablecoin issuer.

~~(2) Response—~~

~~(2) Response—~~(i)(A) The permitted payment stablecoin issuer may respond to the OCC in writing to the notice.

(B) The response should include any matters ~~which~~that the permitted payment stablecoin issuer ~~would have~~requests that the OCC consider in deciding whether an individual additional capital or backstop requirement should be established for the permitted payment stablecoin issuer, what the capital or backstop requirement should be, and, if applicable, when it should be achieved.

(C) Any response must be delivered to the ~~designated~~ OCC ~~official~~ within 30 days after the date on which the permitted payment stablecoin issuer received the notice or such other time period as the OCC determines appropriate based on the condition of the permitted payment stablecoin issuer.

(ii) Failure to respond within the time period specified by the OCC in the notice constitutes a waiver of any objections to the proposed individual additional capital or backstop requirement or the deadline for its achievement.

(3) *Decision*. (i) After the close of the permitted payment stablecoin issuer's response period, the OCC will decide, based on a review of the permitted payment stablecoin issuer's response and other information concerning the permitted payment stablecoin

issuer, whether the individual additional capital or backstop requirement should be established for the permitted payment stablecoin issuer and, if so, the requirement and the date the requirement will become effective. ~~The permitted payment stablecoin issuer will be notified of the decision in writing.~~

(ii) The permitted payment stablecoin issuer will be notified of the decision in writing.

(iii) The notice will include an explanation of the decision, except for a decision not to establish an individual additional capital or backstop requirement for the permitted payment stablecoin issuer.

(4) *Submission of plan.* The decision in paragraph (c)(3) of this section may require the permitted payment stablecoin issuer to develop and submit to the OCC, within a time period specified, an acceptable plan to reach the additional capital or backstop requirement established for the permitted payment stablecoin issuer by the date required.

(5) *Change in circumstances.* If, after the OCC's decision in paragraph (c)(3) of this section, there is a significant change in the circumstances that materially affects the permitted payment stablecoin issuer's capital adequacy or its ability to reach the required additional capital or backstop requirement by the specified date, the permitted payment stablecoin issuer may request, ~~or the OCC may propose to the permitted payment stablecoin issuer,~~ a change in the additional capital or backstop requirement for the permitted payment stablecoin issuer, the date when the minimum must be achieved, or the permitted payment stablecoin issuer's plan (if applicable).

Pending a decision on reconsideration, the OCC's original decision and any plan required under that decision ~~continues~~continue in full force and effect.

PART 19—RULES OF PRACTICE AND PROCEDURE

~~13~~16. The authority citation for part 19 is revised to read as follows:

Authority: 5 U.S.C. 504, 554-557; 12 U.S.C. 93, 93a, 161, 164, 481, 504, 1462a,

1463(a), 1464~~;~~_; 1467(d), 1467a(r), 1817(j), 1818, 1820, 1831m, 1831o, 1832, 1884, 1972,

3102, 3108, 3110, 3349, 3909, 4717, 5412(b)(2)(B), 5905, and 5913; 15 U.S.C. 78l, 78o~~-4~~;

~~78o-~~

~~54, 78o-5~~, 78q-1, 78s, 78u, 78u-2, 78u-3, 78w, and 1639e; 28 U.S.C. 2461; 31 U.S.C. 330~~and~~

~~and~~ 5321; and 42 U.S.C. 4012a.

~~14~~17. Amend § 19.1 by revising paragraph (h) and adding paragraph (i) to read as follows:

§ 19.1 Scope.

* * * * *

(h) Suspension or revocation of registration, cease-and-desist, temporary cease-and-desist, removal and prohibition proceedings, or civil money penalties under section 6 of the Guiding and Establishing National Innovation for U.S. Stablecoins Act (“GENIUS Act”) (12 U.S.C. 5905); and

(i) This subpart also applies to all other adjudications required by statute to be determined on the record after opportunity for an agency hearing, unless otherwise specifically provided for in the Local Rules (see § 19.3(j)).

~~15~~18. Amend § 19.3 by revising paragraphs (h) and (i) to read as follows:

§ 19.3 Definitions.

* * * * *

(h) *Institution* includes any national bank, Federal savings association, Federal branch or agency of a foreign bank, or a permitted payment stablecoin issuer as that term is defined in 12 CFR 15.2.

(i) *Institution-affiliated party* means any institution-affiliated party as that term is defined in section 3(u) of the FDICA (12 U.S.C. 1813(u)). For actions pursuant to the GENIUS Act,

institution-affiliated party means any institution-affiliated party as that term is defined in section 2(13) of the GENIUS Act (12 U.S.C. 5901(13)).

* * * * *

~~16~~19. Revise § 19.180 to read as follows:

§ 19.180 Scope.

This subpart and § 19.8 apply to formal investigations initiated by order of the Comptroller and pertain to the exercise of powers specified in section 5240 of the Revised Statutes of the United States (12 U.S.C. 481); section 5(d)(1)(B) of the Home Owners’ Loan Act (12 U.S.C.

1464(d)(1)(B)); sections 7(j)(15), 8(n), and 10(c) of the FDIA (12 U.S.C. 1817(j)(15), 1818(n), and 1820(c)); sections 4(b) and 13(a) and (b) of the International Banking Act of 1978 (12 U.S.C. 3102(b) and 3108(a) and (b)); section 21 of the Exchange Act (15 U.S.C. 78u); and section 6 of the GENIUS Act (12 U.S.C. 5905). This subpart does not restrict or in any way affect the authority of the Comptroller to conduct examinations into the affairs or ownership of national banks; Federal savings associations; Federal branches and agencies; permitted payment stablecoin issuers, as defined in 12 CFR ~~5.2~~15.2; and their affiliates.