1 May 2026

SUBMITTED VIA PORTAL: https://regulations.gov/. Docket ID “OCC-2025-0372”

To whom it may concern,

Re: US Department of Treasury OCC on Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency

About Global Digital Finance (GDF)

GDF is the leading global members association advocating and accelerating the adoption of best practices for crypto and digital assets. GDF’s mission is to promote and facilitate greater adoption of market standards for digital assets through the development of best practices and governance standards by convening industry, policymakers, and regulators.

The input to this response has been curated through a series of member discussions, industry engagement, and previous engagement with the UK public sector over the years and GDF is grateful to its members who have taken part.

As always, GDF remains at your disposal for any further questions or clarifications you may have, and we would welcome a meeting with you to further discuss these matters in more detail with our members.

Yours faithfully,
Elise Soucie Watts – Executive Director – GDF

GLOBAL DIGITAL FINANCE

Response to the Public Consultations: Executive Summary

A well-calibrated implementation of the GENIUS Act will be critical to supporting lawful dollar-backed stablecoin innovation, promoting U.S. competitiveness, and reinforcing the international role of the U.S. dollar in digital financial markets.

GLOBAL DIGITAL FINANCE

Response to the Consultation Paper Questions

Question 1: Are the definitions in the proposed rule appropriately scoped? How should they be improved?

GDF welcomes the OCC's proposed definitions in §15.2, which largely reflect the statutory language of the GENIUS Act and established US banking law precedents. We limit our comments to four areas where greater clarity would benefit market participants, particularly non-US headquartered issuers seeking to operate within the OCC's framework.

Definition of "control" and the discretionary "controlling influence" prong

The proposed definition of "control" follows the Bank Holding Company Act framework, including the discretionary third prong under which the OCC may determine that a person exercises a "controlling influence" over the management or policies of another person. GDF supports the use of a well-established US banking law standard as the baseline. However, we recommend that the OCC commit to publishing guidance on how it will apply the discretionary prong to the governance structures commonly used by non-US payment stablecoin issuers, including structures involving dispersed token-based governance, foundation models, and multi-jurisdictional holding arrangements that do not map neatly onto traditional corporate ownership frameworks.

Without such guidance, non-US issuers face material uncertainty in assessing whether their organizational structures trigger control relationships that affect their eligibility to register with the OCC or the compliance obligations of their affiliates. This uncertainty could deter well-regulated foreign issuers from seeking US market access through the OCC pathway, which would be contrary to the GENIUS Act's objective of establishing a clear and accessible federal framework. GDF recommends that the OCC either narrow the discretionary prong through additional regulatory text or commit to publishing interpretive guidance prior to the effective date of the Act addressing its application to non-traditional governance structures. In particular, the OCC should clarify that assessments of “controlling influence” in these contexts will be grounded in actual decision-making authority and economic control, rather than formal or theoretical influence.

Definition of "related third party" and its interaction with the interest and yield prohibition

The term "related third party" is not defined in §15.2 but is constructed within the prohibited activities provision at §15.10(c)(4) and carries significant definitional weight. It encompasses any person paying interest or yield to payment stablecoin holders as a service on behalf of the issuer, and any person under whose branding the issuer issues a payment stablecoin. As this construction is effectively a definition, GDF recommends that it be elevated into §15.2 as a standalone defined term for transparency and ease of compliance.

GDF also recommends that the OCC clarify the scope of the "on behalf of" language in the related third party definition. As currently drafted, it is unclear whether a distributor or exchange that independently offers incentives to customers holding a particular payment stablecoin would fall within the definition,

even where there is a commercial relationship between the issuer and the distributor, such as a revenue sharing arrangement under which the distributor pays rewards to coinholders from its own balance sheet. We believe that the definition should be anchored to arrangements where the issuer has specifically provided for payments to stablecoin holders in connection with passive holding, consistent with the statutory prohibition's focus on issuer conduct and the OCC's own acknowledgment that commercial arrangements between issuers and distributors are not intended to be prohibited.

In particular, the OCC should clarify that arrangements fall within scope only where there is an obligation on the issuer to provide remuneration to stablecoin holders.Independent incentives offered by distributors, exchanges, or other intermediaries to their own customers should fall outside the definition's scope, including where such incentives are funded from the intermediary's own balance sheet and are not calculated by reference to, or funded from, the yield earned on reserve assets.

This clarification is important to ensure that the prohibition remains appropriately targeted at issuer-driven yield and does not extend to independent commercial activity within the broader payment stablecoin ecosystem. In particular, the OCC should remove the rebuttable presumption, as its inclusion risks capturing a wide range of commercially standard arrangements that do not involve issuer-provided remuneration. Absent such revision, the current formulation may encompass transaction-based incentives, marketing programs, and other commercial activities that are not economically equivalent to interest or yield on a payment instrument.The GENIUS Act is appropriately focused on issuer conduct, and the OCC's implementing rule should avoid creating uncertainty or overlap with broader market structure questions that remain under active consideration by Congress.

Definition of "use" in the interest and yield prohibition

The prohibition in §15.10(c)(4) applies to payments made "solely in connection with the holding, use, or retention" of a payment stablecoin. The term "use" is not defined in §15.2, and as the OCC itself acknowledges in requesting comment, this creates interpretive uncertainty as to whether transaction-based rewards, promotional incentives, or fee rebates offered in connection with transactional activity constitute prohibited payments. GDF recommends that the OCC define "use" in §15.2 or provide interpretive guidance clarifying that transactional activity, meaning the actual deployment of a payment stablecoin for its intended purpose as a payment or settlement instrument, is not the type of "use" the prohibition is designed to capture.

In particular, the OCC should distinguish clearly between passive holding incentives, which the statutory prohibition is intended to address, and activity-based incentives linked to genuine transactional usage. Transaction-based incentives, including fee rebates, merchant discounts, and payment-related rewards, are integral to the functioning and adoption of payment systems and are not economically equivalent to interest or yield.

The prohibition is properly directed at passive holding incentives that mimic yield-bearing instruments. It should not be read to restrict rewards that arise from genuine transactional engagement or the use of a payment stablecoin as a means of payment or settlement.

Definition of "United States customer" and its implications for foreign issuers

The proposed definition of "United States customer" as a customer that resides in the United States, we overall believe to be appropriate. However, GDF recommends that the OCC confirm in accompanying guidance how residency is to be determined in practice, with one important caveat: if "customer" is properly limited to persons with a direct contractual or onboarding relationship with the issuer, as GDF has recommended in response to Question 4 below, then issuers operating under robust KYC frameworks will already hold sufficient residency data through standard onboarding processes and should not need to rely on IP-based indicators or self-certification as a primary means of residency determination. This approach would be consistent with existing risk-based customer due diligence frameworks and would avoid the need for technically complex or operationally burdensome methodologies that are not proportionate to the risks being addressed. Clear OCC guidance confirming that KYC-derived residence data satisfies the residency standard for direct customers would therefore be sufficient for most issuers in that scenario.

However, the residency determination question becomes significantly more complex if, as the OCC contemplates in Question 4, the definition of 'customer' were to include downstream payment stablecoin holders beyond the issuer's direct counterparties.The definition should instead exclude end-users and be limited to actual customers of the issuer. In an expanded interpretation, a foreign issuer seeking to determine the scope of its US reserve-holding obligations would be dependent on data held by intermediaries such as exchanges, wallet providers, and other distribution partners, over which it has no direct visibility or contractual data access. Addressing this at scale would require mandatory intermediary reporting obligations analogous to those applicable to crypto asset service providers under MiCA in the EU, which would represent a significant regulatory infrastructure requirement well beyond the current GENIUS Act framework. Such an approach would also introduce a form of indirect regulatory dependency on intermediaries that is not contemplated by the GENIUS Act and would be difficult to operationalize in a cross-border context, particularly given the absence of harmonized global standards for data sharing between issuers and intermediaries. GDF recommends that the OCC be explicit that the residency determination obligation for foreign issuer reserve-holding purposes attaches only to direct customer relationships.

Definition of “Insured Depository Institution” and its impact on certain foreign banks

The OCC should clarify the term “insured depository institution” (IDI) by referencing 12 USC 1813(c)(3) to include foreign banks operating through uninsured U.S. branches. This approach resolves existing ambiguity in the FDIA cross-references and aligns with the GENIUS Act’s fundamental purpose of ensuring equality of competitive opportunity for foreign banking organizations (FBOs). The current proposal’s reliance on 12 USC 1813(c)(2) incorrectly excludes these uninsured branches, which are subject to the same robust enforcement regimes as their U.S. peers. If Congress intended to deviate from the longstanding principle of competitive equality, it would have done so explicitly; instead, the legislative record confirms that the Act intends to treat FBOs equally to U.S. institutions. Limiting the definition to FDIC-insured institutions inappropriately restricts FBOs from providing essential services, such as holding demand deposits for stablecoin issuers.

Furthermore, this narrow interpretation directly contradicts the GENIUS Act's intent to decouple payment stablecoins from deposit insurance. Section 4(e) of the Act prohibits stablecoins from being deposit products and makes it unlawful to suggest they are FDIC-insured. By mandating that reserves be held only at insured institutions, the proposal creates a false and misleading link between stablecoins and deposit insurance. Finally, this restriction imposes severe distortive effects on the market. It unfairly excludes qualified foreign banks and hinders stablecoin issuers from placing reserves in a manner that best serves their operational, risk management, and business objectives. The OCC should reject the narrower definition and ensure that the regulatory framework supports, rather than restricts, fair market competition.

Question 2: Should the OCC define "acting in concert" to clarify the term "principal shareholder?" For example, the OCC could define the term to mean (1) knowing participation in a joint activity or parallel action towards a common goal of acquiring control whether or not pursuant to an express agreement; or (2) a combination or pooling of voting or other interests in the securities of an issuer for a common purpose pursuant to any contract, understanding, 178 relationship, agreement, or other arrangement, whether written or otherwise. If the OCC should define the term, should the OCC incorporate any of the presumptions for acting in concert detailed in 12 CFR 5.50(f)(2)?

GDF does not consider it necessary for the OCC to introduce a standalone definition of "acting in concert" for the purposes of clarifying "principal shareholder." However, if the OCC elects to incorporate such a concept, it should do so with appropriate modifications to reflect the distinct characteristics of digital asset governance structures.

The existing definition in 12 CFR 5.50(f)(2) was developed in the context of traditional bank ownership and control scenarios, including coordinated acquisition of voting securities, and may not be directly applicable to decentralised or foundation-led governance models. In particular, applying this definition without adaptation could result in the aggregation of independent governance participants—such as token holders or foundation members—into a single controlling group, even where no participant has the ability to direct management or policy decisions.

If incorporated, GDF recommends that the OCC clarify that "acting in concert" does not include ordinary governance participation, including independent or coordinated voting activity, engagement in governance forums, or other forms of collective but non-binding participation that do not involve contractual coordination or shared decision-making authority. Any such incorporation should be accompanied by clear safe harbors to ensure that the definition remains consistent with the underlying objective of identifying true control relationships, rather than capturing standard governance mechanisms.

Question 3: Is the definition of "control" sufficiently clear? If not, how should the OCC further clarify the term? Should the OCC expressly incorporate any of the presumptions of control from the Bank Holding Company Act (or its implementing regulations), adapted to apply to permitted

payment stablecoin issuers? Should the definition of control incorporate the concept of "acting in concert?" Should the definition incorporate any provisions from the regulations implementing the Change in Bank Control Act or consolidation under GAAP?

We would further build on our comments on the definition of "control" set out in response to Question 1 above. GDF would respectfully reiterate our recommendation that the OCC publish guidance prior to the effective date of the GENIUS Act addressing how the discretionary "controlling influence" prong will be applied to governance structures commonly used by non-US payment stablecoin issuers, including foundation models, dispersed token-based governance arrangements, and multi-jurisdictional holding structures. This is particularly important given that, under the Bank Holding Company Act framework, the "controlling influence" prong is inherently discretionary and assessed on a facts-and-circumstances basis, in contrast to the more objective ownership and board control tests.

On the specific question of whether "acting in concert" should be incorporated into the definition of "control," GDF recommends that the OCC proceed cautiously. Coordinated governance participation, including voting by token holders, participation in governance forums, or collective engagement by foundation members, is a structural feature of many digital asset issuers and does not in itself indicate the kind of controlling relationship the definition is designed to capture. In particular, applying "acting in concert" concepts without clear limiting principles risks aggregating otherwise independent governance actions into a finding of control, even where no single participant has the ability to direct management or policy decisions.

If "acting in concert" concepts are incorporated, we believe that the OCC should make clear that ordinary governance participation and coordinated but independent voting activity do not give rise to a presumption of control. GDF recommends that any "acting in concert" incorporation be accompanied by a safe harbor for governance activity that does not result in the ability to direct the management or policies of the issuer. Such a safe harbor could include, for example, participation thresholds, absence of contractual coordination, and lack of unilateral decision-making rights, consistent with established interpretations under US banking law.

Question 4: The term "customer" is broadly defined to mean a person that purchases (through any consideration) the products or services of another person. Is the scope of this definition too broad? With respect to customers of permitted payment stablecoin issuers, should the definition expressly include only persons with direct interactions with a permitted payment stablecoin issuer? Alternatively, should the definition include all downstream payment stablecoin holders (i.e., not just customers with direct interactions with the permitted stablecoin issuer)? Please address any significant impact or burden the proposed definition or contemplated alternative definitions may have or add given other requirements in the proposed rule, such as the customer notification requirements in proposed § 15.13. Because the term is used in several different contexts throughout the proposed rule, should the definition of "customer" be refined with respect to certain requirements (e.g., customer notification)?

We are overall supportive of the definition proposed, but GDF recommends that the definition of "customer" be further refined to mean a person who purchases products or services directly from the issuer, rather than merely of the issuer, in order to clearly distinguish direct counterparties from downstream holders**.** The current broad definition, encompassing any person that purchases the products or services of another person, could create unintended ambiguity about the compliance perimeter of permitted payment stablecoin issuers, particularly in the context of notification requirements under proposed §15.13 and sanctions and AML obligations more broadly. This is particularly relevant given that the GENIUS Act establishes a framework for issuer regulation, rather than imposing direct regulatory obligations on all downstream participants in the payment stablecoin ecosystem. For the avoidance of doubt, this clarification is not intended to limit or reduce the substantive obligations of permitted payment stablecoin issuers under the GENIUS Act or the proposed rule. Rather, it is intended to ensure that those obligations are applied in a manner that is operationally feasible and aligned with the points at which issuers have direct relationships, visibility and effective control.

Payment stablecoins are designed to circulate freely as payment instruments. Once issued, they may pass through multiple hands across secondary markets and peer-to-peer transactions, with the issuer having no visibility into, or contractual relationship with, the ultimate holder. Treating all such holders as "customers" of the issuer could risk inadvertently imposing notification, screening, and compliance obligations that are operationally unworkable and inconsistent with the risk-based approach to AML and sanctions compliance which industry has consistently emphasized as key priorities for GENIUS rulemaking. Such an approach would also be difficult to reconcile with the structure of the GENIUS Act, which contemplates regulated access to the U.S. market through permitted issuers and qualifying foreign issuers, rather than requiring full visibility into secondary market activity.

We strongly recommend that primary compliance responsibilities, including customer identification, onboarding screening, and notification obligations, properly attach at the point of direct interaction between the issuer and the counterparty, whether that is a direct retail customer, an institutional redemption counterparty, or a distribution partner acting on behalf of end users. This approach aligns with established risk-based supervisory frameworks and ensures that compliance obligations are matched to points of effective control and data availability.

Overall, GDF recommends that the OCC adopt a tiered approach to the definition of "customer" for purposes of the proposed rule. For requirements that are operationally dependent on a direct relationship, including customer notification under §15.13, KYC and onboarding obligations, and sanctions screening, the definition should be limited to persons with direct interactions with the permitted payment stablecoin issuer. The proposed rule does not clearly distinguish between direct customers and broader payment stablecoin holders, and certain provisions, including those referenced in Question 4, could be interpreted to extend beyond direct counterparties. To avoid this ambiguity, where the rule intends to address broader holder protections, the OCC should use the term "payment stablecoin holder" as a distinct defined term, making clear that obligations attaching to holders are separate from, and more limited than, those attaching to direct customers. This distinction would improve legal certainty, reduce compliance burden, and better align the framework with the functional characteristics of payment stablecoins as transferable payment instruments.

Question 5: Section 2 of the GENIUS Act (12 U.S.C. 5901) does not define "depository institution." Is the definition of "depository institution" in the proposed rule sufficiently clear? Are there particular types of institutions for which it would be unclear whether the type of 179 institution is a depository institution and which agency is the primary Federal payment stablecoin regulator for the type of institution? What additional clarifications would be helpful?

No comment.

Question 6: Is the scope of the term "digital asset" sufficiently clear? If not, how should it be clarified?

GDF supports the proposed definition of "digital asset" as set out in §15.2, which faithfully reflects the statutory definition in section 2(6) of the GENIUS Act (12 U.S.C. 5901(6)). We consider the definition appropriately scoped for the purposes of this rulemaking and do not recommend further modification at this stage. However, GDF encourages the OCC to confirm that the application of this definition within the proposed rule remains appropriately limited to the activities and obligations expressly contemplated by the GENIUS Act, in order to avoid unintended extension of the rule's scope to digital asset activities beyond payment stablecoin issuance.

Question 7: The proposed rule does not use the term "digital asset service provider." Is the scope of the term digital asset service provider under the statute sufficiently clear? If not, how should it be clarified? Are there specific activities that should be expressly excluded from digital asset service provider activities, consistent with the statutory definition? Should additional guidance on the exclusions from the definition of "digital asset service provider" or the meaning of "engaging in the business" of providing digital asset service provider activities be clarified? If so, how should the OCC further clarify these terms? Should the OCC clarify that only the provision of financial services that directly relate to digital asset issuance would result in an entity becoming a digital asset service provider?

GDF considers that the statutory definition of "digital asset service provider" provides a useful baseline. However, additional clarification would be beneficial to ensure that the scope of the definition remains appropriately targeted at entities that are actively engaged in providing financial services in relation to digital assets, rather than capturing a broader set of technical or ancillary service providers.

In particular, GDF recommends that the OCC clarify that "engaging in the business" of providing digital asset service provider activities requires the provision of financial services involving the custody, exchange, or transfer of digital assets on behalf of customers, and does not extend to entities providing purely technical, infrastructural, or support services. This interpretation would better align the rule with the GENIUS Act's activity-based statutory framework, which focuses on the provision of regulated financial intermediation services rather than the development or provision of underlying technology or

infrastructure. This would include, for example, software developers, validators, node operators, or other service providers that do not exercise control over customer assets or enter into customer-facing financial relationships.

GDF also recommends that the OCC clarify that the definition should not extend to entities whose services are only indirectly related to payment stablecoin issuance or distribution, where those entities do not provide regulated financial services to end users. This would ensure that the scope of the definition remains aligned with the GENIUS Act's focus on issuer regulation and does not inadvertently extend regulatory obligations across the broader digital asset ecosystem.

Additional guidance on the meaning of "engaging in the business" would also improve legal certainty, including clarification that isolated or incidental activities do not give rise to digital asset service provider status, and that the assessment should be based on the nature, scale, and regularity of the activity.

For the avoidance of doubt, GDF further considers that the provision of user interfaces or front-end access points to digital asset protocols, where such interfaces do not exercise discretion, intermediate transactions, or take custody of customer assets, should not in itself constitute digital asset service provider activity.

Question 8: Is the term "director" sufficiently clear, including with respect to Federal branches? How should the OCC further clarify the term?

No comment.

Question 9: Is the term "distributed ledger" sufficiently clear? Should the term "public digital ledger" be further clarified? What additional clarifications would be helpful? Should certain permissioned or semi-permissioned digital ledgers be considered "public?" If so, how should the definition of "public" delineate between different types of permissioned or semi-permissioned blockchains?

Overall, GDF supports the proposed definition of "distributed ledger" as a faithful reflection of the GENIUS Act's statutory language. However, we also recommend that the OCC confirm that the definition is intended to be technology-agnostic, and that it does not prescribe any particular type of distributed ledger architecture or permissioning model. As the payment stablecoin market continues to develop, issuers will deploy across a range of ledger types, and regulatory certainty that the definition accommodates this diversity, without prejudging the merits of any specific technical approach, will be important to supporting a competitive and innovative market. In particular, GDF recommends that the OCC clarify that both permissioned and permissionless distributed ledger systems, as well as hybrid or semi-permissioned models, may fall within scope, provided they meet the functional characteristics of a distributed ledger as contemplated by the GENIUS Act.

GDF does not recommend further modification to the definition at this stage but would welcome OCC guidance confirming this technology-neutral intent.

Question 10: Is the definition of "eligible financial institution" appropriately scoped? How could the term be further refined? Are there particular elements of the definition that should be excluded or should be addressed elsewhere in the proposed rule?

GDF supports the proposed definition of "eligible financial institution" as a workable framework for determining where permitted payment stablecoin issuers may custody reserve assets. We would offer two targeted recommendations to improve clarity and accessibility, particularly for non-US headquartered issuers.

First, GDF recommends that the OCC publish and maintain a list of institution types that qualify as eligible financial institutions, rather than leaving issuers to make individual determinations based on the multi-part definition in §15.2. For non-US issuers in particular, assessing whether a prospective custodian meets the supervision and compliance requirements of section 10 of the GENIUS Act across multiple regulatory frameworks could be a significant operational burden. A published list, or at minimum a set of clear eligibility criteria with illustrative examples, would materially reduce compliance costs and support timely market entry.

Second, GDF recommends that the OCC confirm the eligibility of foreign branches and agents of insured depository institutions as eligible financial institutions for reserve custody purposes. The proposed rule references demand deposits at foreign branches and correspondent banks of insured depository institutions as permissible reserve assets under §15.11(b) (2) but does not expressly address whether such foreign branches qualify as eligible financial institutions for custody purposes.

Clarifying this point would be particularly valuable for non-US issuers who maintain existing custodial relationships with foreign branches of US banks and who would otherwise face unnecessary disruption to established operational arrangements.

Question 11: Is the definition of "money" appropriately scoped? Should the OCC use the exact language of the statute, instead of using the proposed definition?

No comment.

Question 12: Is the term "nonpublic personal information" appropriately scoped? How could the term be further refined or clarified?

GDF recommends that the OCC refine the definition of 'nonpublic personal information' to account for the characteristics of distributed ledger technology. In particular, GDF recommends that the OCC confirm that information recorded on a public blockchain does not constitute nonpublic personal information for the purposes of this rule, given that such information is by definition publicly accessible and its disclosure

cannot be controlled by the issuer or any other party. Treating publicly observable on-chain data as NPI would create compliance obligations that are technically impossible to satisfy and would be inconsistent with the fundamental architecture of public distributed ledgers. GDF recommends that the OCC clarify that NPI in this context refers only to information that is not publicly available and that the issuer has received in confidence in connection with a direct customer relationship, consistent with the definition's established meaning in financial services regulation.

Question 13: The term "outstanding issuance value" refers to the total consolidated par value of all of an issuer's payment stablecoins. Should the definition also include the par value of nonconsolidated affiliates? If so, what changes should be made to the reserve asset requirements to ensure 1:1 backing across all affiliated entities?

GDF considers that the proposed definition of "outstanding issuance value," based on the total consolidated par value of all of an issuer's payment stablecoins, provides a reasonable starting point for determining reserve requirements. With respect to non-consolidated affiliates, GDF recommends that the OCC proceed cautiously before extending the definition to include such entities. Any expansion of the scope to non-consolidated affiliates would introduce additional complexity and could require a corresponding recalibration of reserve, reporting, and supervisory requirements to ensure consistency with the 1:1 backing objective.

In particular, GDF notes that extending the definition to non-consolidated affiliates may not always align with established accounting and control frameworks and could create uncertainty as to how reserve obligations should be allocated across entities that are not subject to full consolidation or direct supervisory oversight. Where the OCC considers such an expansion necessary, further guidance would be required to clarify how reserve assets are to be attributed and monitored across affiliated structures.

GDF also recommends that the OCC clarify the treatment of tokens that have been repurchased by the issuer but not yet permanently removed from circulation. The definition of outstanding issuance value should capture all tokens that could reasonably be expected to re-enter circulation, and GDF therefore recommends that repurchased, but unburned tokens be treated as outstanding for reserve purposes until they are permanently removed through burning or equivalent controls that prevent reissuance without a corresponding increase in reserves. This approach would ensure that the definition remains aligned with the underlying objective of maintaining continuous 1:1 backing for all tokens that are, or could become, circulating payment stablecoins.

However, GDF also recommends that the OCC recognize that the mechanics of permanent token removal, including through seize, freeze, and burn functions, vary materially across different blockchain architectures. The technical implementation of these functions is not uniform across networks, and an issuer complying with a law enforcement request or implementing a seize, freeze, or burn action may, depending on the network architecture involved, face a multi-step process that creates a temporary apparent discrepancy between outstanding issuance value and reserve backing. The OCC's framework should not penalize issuers for such temporary discrepancies where they arise from good faith compliance with legal obligations or from the technical constraints of the relevant network.

Overall, GDF therefore recommends that the OCC confirm that permitted payment stablecoin issuers may satisfy circulating supply requirements through reissuance, supported by appropriate legal documentation and auditable on-chain event records, where doing so is necessary to ensure that compliance with law enforcement obligations or the implementation of network-specific token removal functions does not give rise to an appearance of undercollateralization. This is particularly important for issuers operating across multiple blockchain networks with materially different technical capabilities for implementing seize, freeze, and burn functions, and GDF would welcome OCC guidance on how compliance will be assessed in this context prior to the effective date of the Act.

Question 14: Is the term "payment stablecoin" sufficiently clear? If not, how should the definition be amended to provide additional clarity as to whether a particular stablecoin is a "payment stablecoin" under the Act? Please describe the types of stablecoins that the OCC should clarify do not meet the definition of a "payment stablecoin" under the Act and therefore would be outside the scope of the Act's coverage. Should there be additional clarity around what it means that a payment stablecoin is a digital asset "that is, or is designed to be, used as a means of payment or settlement?" For example, are there certain settlement scenarios that the OCC should clarify are not "designed to be, used as a means of payment or settlement?"

GDF considers that the statutory definition of "payment stablecoin" provides a broadly appropriate foundation for the purposes of this rulemaking. However, additional clarification would be beneficial to ensure consistent interpretation of the scope of the definition, particularly in distinguishing payment stablecoins from other types of digital assets that may exhibit price stability but are not designed to function as payment instruments.

In particular, GDF recommends that the OCC clarify that the defining characteristic of a "payment stablecoin" is its primary purpose and design as a means of payment or settlement, rather than simply its maintenance of a stable value. This assessment should be based on the instrument's objective design features, redemption mechanics, economic function, and intended commercial use, rather than isolated marketing language or incidental settlement functionality. This distinction is important to ensure that the framework does not inadvertently capture digital assets that are used primarily for investment, treasury management, or protocol-specific utility purposes.

GDF further recommends that the OCC clarify that digital assets which do not rely on redeemable, high-quality liquid asset backing, including those using algorithmic or endogenous stabilization mechanisms, would generally fall outside the definition of a "payment stablecoin" for the purposes of the GENIUS Act. This would be consistent with the statutory payment stablecoin framework, which is designed to apply to fully reserved payment instruments rather than other forms of value-stabilized digital assets within the meaning of the GENIUS Act.

GDF also recommends that the OCC clarify that digital assets designed primarily as investment or return-generating instruments fall outside the definition of a "payment stablecoin." In this context, it is important to distinguish between:

- issuer-driven remuneration linked to the holding of a stablecoin, which is restricted under the GENIUS Act; and
- independent, activity-based incentives or rewards offered by third parties, which remain the subject of ongoing policy and legislative consideration.

Clarifying this distinction would help ensure that the definition of "payment stablecoin" remains aligned with the statutory objective of regulating payment instruments, without pre-empting broader questions relating to rewards, incentives, or market structure that are being considered in parallel legislative and regulatory processes.

With respect to the phrase "designed to be used as a means of payment or settlement," GDF recommends that the OCC adopt a functional interpretation focused on the intended use case and economic design of the instrument. In particular, the OCC should clarify that:

- payment or settlement use refers to the transfer of value between parties in a manner analogous to traditional payment instruments; and
- the use of a digital asset within collateral, liquidity, or protocol-based financial arrangements does not, in itself, constitute use as a means of payment or settlement for the purposes of the definition where such use is ancillary to broader financing, collateralization, liquidity management, or protocol operation functions rather than constituting the instrument's primary economic purpose.

Clarifying these distinctions would help ensure that the scope of the rule remains appropriately targeted at payment stablecoins, consistent with the GENIUS Act's objectives, and does not extend to other categories of digital assets that are subject to different regulatory considerations.

Question 15: Is the exclusion of a digital asset that "is a deposit (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)), including a deposit recorded using distributed ledger technology" from the definition of "payment stablecoin" sufficiently clear? Should the OCC clarify which tokenized products this exclusion may apply to?

GDF welcomes the OCC's proposed exclusion of tokenized deposits from the definition of "payment stablecoin" and supports the principle that regulatory treatment should follow the legal nature of the underlying instrument rather than its technical form. As tokenized deposit products continue to develop and reach the market, however, GDF recommends that the OCC publish additional guidance clarifying where the boundary between tokenized deposits and payment stablecoins sits in practice. This distinction is particularly important to preserve technology neutrality and avoid regulatory outcomes that depend on whether a banking liability is represented through traditional ledger infrastructure or distributed ledger technology.GDF's members include institutions operating across both traditional banking and digital asset infrastructure, and our experience indicates that the distinction is not always immediately clear to market participants from the face of a product. Clear OCC guidance confirming that the determinative factor is

the nature of the underlying legal obligation would reduce compliance uncertainty, support consistent market practice, and help prevent regulatory arbitrage at this boundary. In particular, GDF recommends that the OCC clarify that tokenized deposits are deposits so long as they remain within the bank's platform and, as such, represent a claim on a regulated banking institution and remain subject to applicable banking law, including depositor protection frameworks. Tokenized deposits that circulate on permissionless networks should not be treated as deposits for purposes of deposit insurance or depositor protection frameworks, particularly in the absence of a clear and consistent definition of 'tokenized deposit.' In contrast, payment stablecoins represent a claim on the issuer supported by reserve assets rather than a deposit liability.GDF further recommends that the OCC provide practical guidance on how this distinction should be assessed in borderline cases, including where digital assets exhibit characteristics of both deposit-like instruments and payment stablecoins. Such guidance could include consideration of factors such as the identity and regulatory status of the issuer, the legal nature of the redemption obligation, the treatment of customer funds (including whether they constitute a deposit), and the availability of deposit insurance or equivalent protections.

GDF would welcome engagement with the OCC on developing practical guidance in this area, drawing on the experience of our membership across both bank and non-bank issuers.

Question 16: Section 2 of the GENIUS Act (12 U.S.C. 5901) does not exclude insured shares from the definition of "payment stablecoin." Should insured shares be excluded in the implementing regulations?

No comment.

Question 17: Is the term "permitted payment stablecoin issuer" sufficiently clear? How should the definition be amended to provide additional clarity as to whether a particular entity issues a payment stablecoin and is subject to the requirements of the GENIUS Act?

GDF supports the proposed definition of "permitted payment stablecoin issuer" as set out in §15.2, which appropriately reflects the statutory framework of the GENIUS Act and the OCC's jurisdictional scope. We do not recommend further modification at this stage. However, GDF recommends that the OCC provide additional clarification on the circumstances in which an entity is considered to be "issuing" a payment stablecoin for the purposes of the definition, particularly in arrangements involving multiple entities across issuance, distribution, and operational functions.

In particular, guidance would be helpful to distinguish between entities that have primary responsibility for minting, redeeming, and maintaining reserve backing for a payment stablecoin, and that bear the primary legal and economic responsibility to holders for redemption and reserve sufficiency, and those

that provide ancillary or distribution-related services, such as exchanges, wallet providers, or technology service providers. Clarifying this distinction would help ensure that the definition captures entities that exercise substantive control over the issuance function and associated prudential obligations, while avoiding unintended inclusion of entities that do not issue stablecoins in a legal or economic sense. This clarification is particularly important in multi-party issuance and distribution arrangements, including white-label, embedded finance, and distribution-partner models, where operational responsibilities may be shared but prudential obligations should attach to the entity substantively performing the issuer function.

Question 18: Is the term "person" sufficiently clear? Should the OCC further clarify the definition, including with respect to the meaning of "association" or other components of the definition?

GDF supports the proposed definition of "person" as set out in §15.2, which faithfully reflects the statutory definition in the GENIUS Act, and does not recommend further modification at this stage. However, GDF would welcome confirmation that the application of this definition in the context of the proposed rule is intended to capture legally identifiable persons capable of bearing regulatory obligations, and that it is interpreted consistently with established principles of legal personality and control under U.S. law. In particular, GDF would caution against interpretations that seek to attribute issuer or compliance obligations to non-incorporated technological networks, software protocols, or other arrangements lacking separate legal personality absent a clear statutory basis.

Question 19: Is the term "private key" sufficiently clear? How could the term be further clarified? Should the OCC define the term to mean the unique alphanumeric sequence that allows an individual to prove ownership of an account on a distributed ledger, including for the purpose of transferring a particular unit of a digital asset?

Overall, GDF supports the proposed definition of "private key" and welcomes the OCC's explicit inclusion of key shards within the definition, which reflects the realities of modern institutional key management practices. Consistent with GDF member's positions and engagement with other authorities globally on private key management and security, we recommend that the OCC confirm that the definition is intended to be technology-neutral and outcomes-focused, encompassing all key management architectures used in institutional-grade custody rather than prescribing any specific technical approach.

In particular, GDF encourages the OCC to recognize that many institutional custody arrangements operate under cryptographically distributed or shared-control models, including multi-party computation and threshold-signature schemes, which are deliberately designed so that no single entity ever possesses a complete private key. The inclusion of key shards in the proposed definition is a welcome step, but the OCC should confirm that the definition accommodates these architectures in full, and that compliance with private key management requirements will be assessed against the robustness of the overall safeguarding outcome rather than the specific technical form of key custody. GDF further recommends that the OCC clarify that the term "private key" should be interpreted functionally to include any cryptographic mechanism or set of mechanisms that enables control over, or the ability to transfer, a digital asset, regardless of whether such control is exercised through a single key, distributed key shares, or other emerging cryptographic constructs.

This clarification would help ensure that the definition remains adaptable to ongoing developments in cryptographic infrastructure and does not inadvertently privilege legacy key management models over more secure or resilient approaches. This technology-neutral approach would maintain high standards of client protection while allowing firms to adopt innovative and security-enhancing approaches as cryptographic infrastructure continues to evolve.

Question 20: Should the definition of "principal shareholder" or any other definitions explicitly incorporate governance instruments other than securities providing voting rights with respect to the activities of the issuer? In particular, are there governance instruments that may not qualify as securities that the OCC should incorporate or instruments common to partnerships that the OCC should consider incorporating?

No comment.

Question 21: Is the term "senior management" as used in proposed part 15 sufficiently clear? Should the OCC define the term, for example, to include all or a select subset of executive officers?

GDF considers that the term "senior management" is broadly understandable in the context of the proposed rule and does not require a prescriptive definition at this stage. However, additional clarification may be beneficial to ensure consistent interpretation across different types of permitted payment stablecoin issuers, including both bank-affiliated and non-bank entities.

In particular, GDF recommends that the OCC clarify that "senior management" should be understood to refer to individuals with primary responsibility for the strategic direction, risk management, and day-to-day operation of the issuer, rather than being limited to formal titles or specific corporate structures. This approach would ensure that the definition remains adaptable across a range of governance models.

GDF further recommends that any clarification of "senior management" be principles-based and proportionate, recognizing that permitted payment stablecoin issuers may vary significantly in size, complexity, and organizational structure. In particular, the OCC should avoid importing overly prescriptive banking governance frameworks that may not be appropriate for all non-bank issuers.

Clarifying that responsibilities attach to individuals with effective decision-making authority, rather than formal designation alone, would align the term with the broader control and governance framework set out in the proposed rule.

Question 22: The GENIUS Act does not define "stablecoin holder." Should the OCC define the term? If so, should the OCC define the term to mean the person that beneficially owns the payment stablecoin? Should the OCC instead define the term based on possession via digital wallets or control of cryptographic keys? What considerations relating to custody should the 182 OCC bear in

mind if it chooses to define the term? What interactions with other requirements in the proposed rule should the OCC consider if it chooses to define the term?

GDF recommends that the OCC define the term "stablecoin holder" in §15.2, and that it do so in a manner that is consistent with the tiered approach to the definition of "customer" that GDF has recommended in response to Question 4 above. Introducing a clear and distinct definition of "stablecoin holder" would provide important regulatory clarity, reduce compliance uncertainty for issuers, and ensure that obligations attaching to holders are appropriately scoped relative to those attaching to direct customers.

GDF recommends that "stablecoin holder" be defined as the person that beneficially owns a payment stablecoin at any given time, regardless of whether that person has a direct relationship with the permitted payment stablecoin issuer. This beneficial ownership approach is consistent with how holder rights are understood in analogous payment instrument contexts and avoids the practical difficulties of defining holdership by reference to possession of cryptographic keys, which may not reflect the economic reality of custody arrangements where a custodian holds keys on behalf of a beneficial owner. In particular, GDF recommends that the OCC clarify that control of a private key or wallet address does not, in itself, determine beneficial ownership where assets are held on behalf of another person pursuant to a custodial or similar arrangement.

GDF further recommends that the OCC ensure that any definition of "stablecoin holder" is aligned with established custody principles, including the distinction between legal ownership, beneficial ownership, and control of assets, and does not inadvertently conflate these concepts in a manner that would create ambiguity in custodial arrangements.

Finally, GDF also further recommends that the OCC make clear that obligations attaching to stablecoin holders under the proposed rule, including redemption rights and protections against misrepresentation, are distinct from, and more limited than, the compliance obligations that attach to direct customers at the point of onboarding, issuance, and redemption. This distinction is essential to ensuring that issuers are not inadvertently required to perform KYC, sanctions screening, or notification functions with respect to downstream holders with whom they do not have an established contractual relationship, consistent with the risk-based compliance framework that the GENIUS Act contemplates.

Clarifying this distinction would help ensure that the definition of "stablecoin holder" supports user protection objectives without extending issuer obligations beyond the points at which issuers have visibility, control, and direct engagement.

Question 23: Should the OCC refine the definition of trading volume? Should the term be limited to trades that occur on exchanges? Should it include transactions that occur outside of an exchange? Should the OCC define "exchange" for purposes of this definition? If so, should the OCC define it to mean a person engaged in the business of making a market in digital assets (including payment stablecoins)? Should any definition include decentralized exchanges? What impediments are there to permitted payment stablecoin issuers collecting data concerning trading volume?

GDF recommends that the OCC retain a definition of "trading volume" that is anchored to exchange-based activity, while providing clarity on what constitutes an "exchange" for these purposes. A definition that extends to peer-to-peer transfers, on-chain activity, or decentralized protocols would impose data collection obligations on issuers that are technically impractical, inconsistent with reasonable expectations of issuer visibility, and in tension with the privacy considerations that underpin the GENIUS Act's treatment of self-custodial activity.

In particular, GDF recommends that the definition of “trading volume” be limited to transactions executed through identifiable trading venues that provide reliable, auditable data, and should not extend to transfers or interactions that occur directly between users outside such venues.

GDF recommends that the OCC define "exchange" to include both centralized trading platforms and decentralized exchanges where the issuer has a reasonable ability to obtain reliable trading data, while confirming that issuers are not expected to monitor or report on peer-to-peer or self-custodial transactions that occur outside any exchange infrastructure. For decentralized exchanges, this should be limited to protocols or interfaces where trading activity is sufficiently observable and can be measured using standardized and verifiable data sources, rather than requiring issuers to interpret raw on-chain activity across multiple networks.

GDF further recommends that the OCC clarify that issuers are only expected to report trading volume data that is reasonably available to them through existing market data sources or commercial arrangements and are not required to develop bespoke monitoring systems to capture activity outside their operational or informational perimeter.

This approach would produce a trading volume metric that is accurate, auditable, and operationally workable, and would ensure that examination frequency thresholds reflect a consistent and comparable measure of market activity across all issuers.

Question 24: Should the OCC define United States customer to mean a customer that resides in the United States, as proposed, or use a different definition? For example, should the definition be limited to United States citizens or include both citizens and residents of the United States? Should the definition be limited to permanent residents of the United States?

GDF supports the proposed residency-based definition of "United States customer" and does not recommend adopting a citizenship-based alternative. Residency is the standard criterion used across US financial services regulation for determining the scope of customer-facing obligations and is consistent with existing KYC and customer identification program requirements under the Bank Secrecy Act. A citizenship-based definition would be operationally unworkable, as citizenship status is not a standard data point collected during financial institution onboarding, and would create significant compliance uncertainty for issuers seeking to determine the scope of their US-facing obligations. This approach is also consistent with the GENIUS Act’s broader framework, which applies financial institution-style

obligations to permitted payment stablecoin issuers and therefore relies on established, risk-based customer identification practices.

GDF reiterates its recommendation from Question 1 above that the OCC provide additional guidance on how residency is to be determined in practice for digital asset customers, including confirmation that KYC-derived residence data and customer self-certification constitute sufficient evidence of residency for compliance purposes. In particular, such guidance should confirm that issuers are not required to apply enhanced or novel methods of residency determination beyond existing onboarding and customer due diligence processes, provided those processes are consistent with applicable regulatory standards.

GDF further recommends that the OCC clarify that the determination of "United States customer" is limited to persons with whom the issuer has a direct relationship, consistent with the tiered approach to "customer" set out in response to Question 4. Extending residency determinations beyond direct customers would introduce significant operational complexity and would require reliance on intermediary-held data that is not contemplated by the GENIUS Act framework.

Activities

Question 25: Are there activities not contemplated in proposed § 15.10 that permitted payment stablecoin issuers must be able to engage in for purposes of the GENIUS Act? If so, please describe them and any appropriate limits for these additional activities.

GDF considers the proposed permitted activities list in §15.10 to be broadly well-constructed and consistent with the GENIUS Act's framework. However, we would also recommend one targeted addition to ensure the list adequately reflects the operational realities of modern payment stablecoin infrastructure.

GDF recommends that the OCC expressly confirm that activities necessary to support cross-chain and cross-network interoperability, including bridging, wrapping, and deployment of payment stablecoins across multiple distributed ledger protocols, are permitted activities for purposes of §15.10, either as activities that directly support issuance and redemption under §15.10(a)(8) or as a separately enumerated permitted activity. As GDF has noted in its Global Stablecoin Regulatory Playbook, regulatory frameworks should actively avoid technological fragmentation, and issuers increasingly need to support deployment across multiple blockchain networks to serve their customers effectively. The absence of express permission for these activities creates unnecessary legal uncertainty and could deter issuers from supporting the multi-chain deployment that promotes competition, accessibility, and the broader adoption of payment stablecoins as a settlement instrument.

Finally, GDF also supports these permissions being accompanied by appropriate risk management expectations. Such expectations should be principles-based and proportionate, focusing on the identification and mitigation of operational, security, and financial risks associated with cross-chain activity. This may include, for example, requirements for issuers to maintain adequate controls over smart

contract deployment, bridge security, and cross-chain reserve reconciliation, as well as governance, monitoring, and incident response frameworks appropriate to the scale and complexity of such activities**,** consistent with the operational resilience standards in the proposed rule.

Question 26: Should the OCC clarify that a permitted payment stablecoin issuer may retain an asset manager under a separately managed account under proposed § 15.10(a)(8)?

Yes, GDF welcomes clarification from the OCC on this point. We recommend that the OCC confirm that retaining a third-party asset manager under a separately managed account arrangement is a permitted activity for purposes of §15.10, as an activity that directly supports reserve management under §15.10(a)(3) and §15.10(a)(8).

For issuers managing large and diversified reserve portfolios, the use of separately managed accounts with regulated asset managers is standard institutional practice and an important tool for ensuring reserves are managed with the expertise, operational controls, and risk oversight that the proposed rule demands. Confirming this expressly would provide important legal certainty for issuers and their counterparties, without creating any gap in the prudential framework. GDF's view is that any such confirmation should make clear that the issuer retains full legal ownership and control of reserve assets at all times, that the asset manager is bound by the reserve asset eligibility requirements in proposed §15.11, and that the arrangement does not affect the issuer's obligations with respect to segregation, diversification, and monetization capability.

Question 27: Are there other limits or conditions the OCC should consider with respect to payment stablecoin issuers acting as principal or agent with respect to any payment stablecoin? Should the OCC specify the activities contemplated under the GENIUS Act for which a 183 permitted payment stablecoin issuer may act as principal or agent in payment stablecoins under section 16(b) of the Act (12 U.S.C. 5915(b))?

No comment.

Question 28: Do permitted payment stablecoin issuers need to hold crypto-assets other than payment stablecoins for other purposes beyond paying transaction fees or testing a distributed ledger? If so, under what circumstances would a permitted payment stablecoin issuer need to hold such assets?

GDF considers that permitted payment stablecoin issuers may, in limited circumstances, need to hold crypto-assets other than payment stablecoins to support the operational functioning of distributed ledger systems. This may include, for example, holding native network tokens required to pay transaction fees, support smart contract execution, or facilitate interoperability across multiple blockchain networks.

GDF recommends that the OCC clarify that such holdings are permissible where they are incidental to, and necessary for, the provision of payment stablecoin services, and do not constitute investment or proprietary trading activity.

In particular, issuers may need to hold crypto-assets to:

- pay transaction fees or "gas" costs on relevant networks;
- support smart contract deployment and maintenance;
- facilitate cross-chain or cross-network interoperability, including bridging and settlement functions; and
- conduct testing, security validation, or operational resilience activities.

At the same time, GDF supports clear guardrails to ensure that such holdings remain limited in scope and do not introduce additional financial risk. In particular, the OCC should clarify that:

- such assets should not be treated as part of reserve backing;
- holdings should be proportionate to operational needs; and
- issuers should not engage in speculative or investment activity in non-stablecoin crypto-assets.

Clarifying these principles would allow issuers to operate effectively within distributed ledger environments while maintaining the prudential safeguards and risk profile intended by the GENIUS Act.

Question 29: Should the final rule include specific provisions addressing an issuer's holding of non-payment stablecoin crypto-assets to pay transaction fees, such as limitations on the amount of non-payment stablecoin crypto-assets that a permitted payment stablecoin issuer may hold at any time? If so, how should those limits be calibrated? Should any limit be based on anticipated fees, a percentage of assets, or be set at a certain value threshold?

GDF recommends that the final rule adopt a flexible, technology-neutral approach to the holding of non-payment stablecoin crypto assets for operational purposes, rather than prescribing specific quantitative limits at this stage. The payment stablecoin market is still evolving rapidly, and the range of blockchain networks on which compliant stablecoins operate, and the associated operational requirements for gas fee management, will continue to develop in ways that are difficult to anticipate in advance. Prescriptive limits, whether based on anticipated fees, a percentage of assets, or a fixed value threshold, risk becoming quickly outdated and could create unnecessary operational constraints for issuers operating across multiple networks.

GDF's position is that the final rule should instead adopt a principles-based supervisory approach, under which permitted payment stablecoin issuers are required to maintain clear internal policies governing their holdings of non-payment stablecoin crypto-assets, disclose these policies to the OCC, and demonstrate that such holdings are strictly limited to operational purposes.

In particular, the OCC should clarify that:

- such assets are held solely to support network functionality (e.g. transaction fees, smart contract execution, or interoperability);
- such holdings are not treated as part of payment stablecoin reserves or backing assets; and
- issuers do not engage in speculative or investment activity in non-payment stablecoin crypto-assets.

GDF further recommends that supervisory expectations focus on proportionality and risk management, including ensuring that holdings are calibrated to reasonably anticipated operational needs and do not expose the issuer to material market, liquidity, or concentration risk.

A principles-based approach, supervised by the OCC on an ongoing basis, would preserve operational flexibility, while maintaining the low-risk balance sheet profile intended by the GENIUS Act, and ensuring that requirements remain fit for purpose as the market matures.

Question 30: Should there be any limit on what methods of payment a permitted payment stablecoin issuer can accept when assessing fees, including fees associated with the purchasing or redeeming of stablecoins? Should the final rule include provisions addressing a permitted payment stablecoin issuer's potential assessment of fees in crypto-assets other than payment stablecoins and how long issuers can hold onto such crypto-assets? Are there specific forms of payment outside of fiat and payment stablecoin that permitted payment stablecoin issuers will need to accept that the OCC should provide additional clarity on?

GDF recommends that the final rule does not restrict the methods by which permitted payment stablecoin issuers may assess fees, including fees associated with purchasing or redeeming payment stablecoins. Limiting permissible fee payment methods to fiat or payment stablecoins alone would be premature given the diversity of operational models across the market and could inadvertently disadvantage issuers whose customers operate in crypto-native environments where payment in other digital assets is standard practice.

GDF recommends instead that the OCC adopt a technology-neutral, principles-based approach under which issuers may accept fees in a range of payment methods, provided that such arrangements are transparent, appropriately disclosed, and do not give rise to risks inconsistent with the GENIUS Act's prudential framework.

In particular, the OCC should clarify that:

- acceptance of fees in non-payment stablecoin crypto-assets is permissible where it is incidental to the provision of stablecoin services and does not constitute an investment or proprietary activity;
- such fee arrangements must not be structured in a manner that would result in payments to stablecoin holders that could be characterized as interest, yield, or remuneration linked to holding or using a payment stablecoin; and

- any crypto-assets received as fees are not treated as reserve assets and are subject to appropriate internal controls and risk management policies.

Consistent with our position on Question 29, GDF recommends a flexible, technology-neutral framework under which issuers are required to maintain transparent policies on fee assessment methods, disclose these to the OCC, and ensure that any holdings of non-payment stablecoin crypto assets received as fees are managed proportionately and in line with the issuer's risk management framework. This may include expectations that such assets are held only for limited durations or are converted into fiat or other permissible assets within a reasonable period, depending on operational needs and risk considerations.

Transparency and supervisory oversight, rather than prescriptive restrictions, are the appropriate tools for managing any risks that arise from fee-related crypto asset holdings at this stage of market development, while maintaining alignment with the GENIUS Act's objective of supporting payment functionality within a low-risk prudential framework.

Question 31: Should the OCC include an approval process for the activities listed in the Section 4(a)(7)(B) of the GENIUS Act (12 U.S.C. 5903(a)(7)(B)), including digital asset service provider activities and activities incidental to payment stablecoin activities or digital asset service provider activities?

No comment.

Question 32: Should the OCC clarify proposed § 15.10(a)(8) by providing specific examples of activities that directly support the activities in proposed § 15.10(a)(1) through (4)? Are there specific examples of activities that directly support the activities in proposed § 15.10(a)(1) through (4) that should be clarified? Should the OCC distinguish between what it means for an activity to directly support the activities in proposed § 15.10(a)(1) through (4), and therefore, satisfy the test in proposed § 15.10(a)(8) as opposed to what it means for an activity to be incidental to the activities in proposed § 15.10(a)(1) through (7) provided in section 4(a)(7)(B) of the GENIUS Act? Should the OCC provide an approval process related to digital asset service provider activities and/or incidental activities?

Yes, GDF welcomes the OCC's invitation to provide examples of activities that directly support the core permitted activities in §15.10(a)(1) through (4) and recommends that the OCC publish interpretive guidance on the scope of §15.10(a)(8) prior to the effective date of the GENIUS Act. As GDF has noted in its responses to Questions 25 and 26, there are commercially important activities, including cross-chain and cross-network interoperability functions and the use of third-party asset managers under separately managed accounts, where express confirmation that the "directly supports" test is satisfied would provide significant legal certainty for issuers and their counterparties.

GDF also recommends that the OCC adopt a broad and technology-neutral interpretation of the "directly supports" test, consistent with the GENIUS Act's objective of enabling a competitive and innovative

payment stablecoin market. Activities should be considered to directly support core permitted activities where they are operationally necessary or materially facilitate the issuer's ability to issue, redeem, manage reserves, or provide custody services safely and effectively. Further to this, we do not consider it necessary or desirable for the OCC to draw a sharp distinction between activities that "directly support" and activities that are "incidental" at this stage of market development, as such a distinction risks creating unnecessary uncertainty and could deter issuers from adopting operationally sensible arrangements pending formal OCC approval.

Finally, where issuers are uncertain whether a specific activity satisfies the test, GDF also strongly supports the OCC's existing invitation to seek direct guidance and recommends that the OCC commit to responding to such requests within a defined timeframe to support timely market entry and operational planning.

Question 33: The proposed rule would permit a permitted payment stablecoin issuer to hold nonpayment stablecoin crypto-assets to pay certain fees (e.g., network fees). Should the rule include an express limitation on the amount of such crypto-assets that the permitted payment stablecoin issuer may hold? For example, the rule could provide that the amount of such crypto-assets may not exceed reasonably expected near-term demand.

GDF welcomes the OCC's consideration of this question and broadly supports the principle that holdings of non-payment stablecoin crypto assets for operational purposes should be proportionate to genuine operational needs. As we set out in our response to Question 29, GDF's view is that a flexible, principles-based approach is most appropriate at this stage of market development, under which issuers maintain and disclose to the OCC clear internal policies governing such holdings.

On the specific suggestion of a limit anchored to "reasonably expected near-term demand," GDF considers this to be a constructive starting point and broadly consistent with a proportionality principle. However, GDF recommends that this concept be implemented as a supervisory expectation rather than a hard quantitative limit, given the volatility of on-chain fee markets and the practical difficulty of forecasting fee requirements across multiple networks in real time.

In particular, GDF recommends that the OCC clarify that “reasonably expected near-term demand” should be assessed by reference to the issuer’s operational profile, including transaction volumes, network usage patterns, and anticipated fee dynamics, rather than a fixed or standardized metric.

GDF further recommends that such holdings be explicitly limited to operational purposes and not constitute a source of market or liquidity exposure, consistent with the GENIUS Act’s broader prudential objective of maintaining a low-risk balance sheet supported by high-quality reserve assets.

A principles-based supervisory expectation of proportionality, supported by transparent internal policies and ongoing dialogue with the OCC, would achieve the same prudential objective while preserving the operational flexibility that issuers need to function effectively across diverse blockchain environments.

Question 34: Should the OCC explicitly provide that managing foreign exchange risk is a permissible activity for the issuers of stablecoins that are not denominated in the United States dollar? If so, should the OCC include limitations on the activity (e.g., that the permitted payment stablecoin issuer may not over-hedge its position and may not use foreign exchange risk management as a pretext to engage in speculation)? If the OCC permits this activity, what requirements should the OCC impose to mitigate risks? For example, should there be a capital add-on for foreign exchange risk?

GDF welcomes the OCC's consideration of this question and strongly recommends that the final rule expressly confirm that foreign exchange risk management is a permitted activity for issuers of non-USD denominated payment stablecoins. As the payment stablecoin market continues to develop beyond USD-denominated instruments, including through the issuance of sterling, euro, and other fiat-backed stablecoins by OCC-registered issuers, the ability to manage FX risk arising from reserve asset composition and redemption obligations is an operational necessity rather than a speculative activity. Failing to confirm this expressly would create unnecessary legal uncertainty for issuers of non-USD stablecoins seeking OCC registration.

Overall, we support the inclusion of appropriate and proportionate guardrails to ensure that FX risk management remains anchored to genuine hedging needs. We would encourage the OCC to adopt a principles-based framework requiring that FX risk management activity be directly linked to the issuer's reserve and redemption obligations, that positions be sized to hedge rather than exceed underlying exposures, and that issuers maintain transparent internal policies on FX risk management subject to OCC supervisory review. GDF does not consider a blanket capital add-on for FX risk to be necessary where hedging activity is appropriately scoped and supervised, though we recognize that the OCC may wish to retain discretion to impose additional requirements on a case-by-case basis where an issuer's FX exposures are material or complex. A proportionate, risk-based approach to any such requirements would be consistent with the GENIUS Act's instruction that standards be tailored to the business model and risk profile of each issuer.

Question 35: Could the prohibition against paying interest or yield solely in connection with the holding or use of a permitted payment stablecoin be clarified? If so, how? Would it be helpful to 185 include a de minimis exception to the prohibition to provide certainty with respect to arrangements that are not designed to violate the prohibition and that do not have a meaningful economic impact? If so, is there any specific guidance the OCC should provide on what de minimis means?

GDF welcomes the OCC's invitation to comment on this question and considers it one of the most commercially significant issues in the proposed rule. GDF's primary position is that the OCC should remove the rebuttable presumption in §15.10(c)(4)(i) in its entirety. The statutory framework of the GENIUS Act already defines the scope of the prohibition with specificity, addresses evasion directly, and expressly preserves the ability of third parties to offer rewards as a well-established commercial

mechanism. The OCC's proposed presumption goes beyond what the statute requires and risks capturing arrangements that Congress has expressly chosen to preserve. In GDF's view, the statute reflects a deliberate legislative balance between prohibiting issuer-sponsored passive yield and preserving independent third-party commercial incentives, and the final rule should maintain that balance. GDF considers that the prohibition, properly interpreted in accordance with its statutory terms, is sufficient to achieve the OCC's anti-evasion objectives without the addition of a presumption that the statute does not mandate.

The prohibition in §15.10(c)(4), which reflects the GENIUS Act, applies to payments of interest or yield made solely in connection with the holding, use, or retention of a payment stablecoin. Clarifying the scope of this prohibition is essential to ensuring consistent implementation and avoiding unintended capture of arrangements that fall outside its intended purpose.

To support this objective, GDF recommends that the prohibition be clarified in two core respects.

First, GDF recommends that the OCC confirm that the prohibition applies to payments that are contractual, periodic, or otherwise structured to provide a financial return to holders in connection with passive holding of a payment stablecoin. The prohibition should not extend to arrangements that are not based on passive holding, including discretionary, promotional, or transaction-based incentives, provided these are not structured to replicate or substitute for interest or yield. This distinction is consistent with the statutory focus on payments made "solely" in connection with holding, use, or retention, and with the OCC's recognition that certain transaction-based incentives, such as merchant discounts, fall outside the scope of the prohibition.

Second, GDF reiterates its recommendation that the OCC clarify the meaning of "use" in the phrase "holding, use, or retention." In particular, the OCC should confirm that the prohibition is directed at passive holding incentives and does not extend to incentives that arise from the active use of a payment stablecoin as a means of payment or settlement. This clarification would provide important legal certainty, particularly in distinguishing between payment functionality and investment-like characteristics.

GDF recognizes that the OCC has taken a deliberately broad approach to preventing circumvention of the prohibition, including through arrangements involving affiliates or related third parties. GDF's view is that this objective is better served by the statute's own framework, which already addresses evasion, than by the addition of a presumption that the statute does not require and that risks capturing legitimate commercial arrangements that Congress has expressly chosen to preserve.

GDF would welcome continued engagement with the OCC on this issue and the opportunity to support the development of clear and operationally workable guidance.

Question 36: Does the presumption with respect to the prohibition against paying interest or yield solely in connection with the holding, use, or retention of a permitted payment stablecoin appropriately address concerns relating to evasion? Is the presumption with respect to the

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

GDF's primary position is that the OCC should remove the rebuttable presumption in §15.10(c)(4)(i) entirely. As set out in our response to Question 35, the GENIUS Act already defines the scope of the prohibition with specificity, addresses evasion directly, and expressly preserves the ability of third parties to innovate and compete with rewards. The presumption goes beyond what the statute requires and risks capturing arrangements that Congress has chosen to preserve. GDF does not consider that an additional presumption is necessary to achieve the OCC's anti-evasion objectives where the statutory framework already provides the relevant tools.

In the event the OCC elects to retain the presumption, GDF sets out its recommendations across three areas: the scope of the presumption, the rebuttal process, and the use of safe harbors.

Scope of the presumption

The statutory prohibition is directed at issuer conduct: namely payments made by or at the direction of an issuer to stablecoin holders in connection with passive holding. As currently drafted, the presumption extends to arrangements involving "related third parties" in a manner that risks capturing independent commercial activity that is not directed by the issuer. If retained, GDF recommends that the presumption apply only where there is a direct contractual arrangement between the issuer and an affiliate or related third party specifically for the purpose of making payments to stablecoin holders in connection with passive holding. In particular, the "on behalf of" language should be clarified as requiring a direct contractual mandate from the issuer, rather than a broader commercial or functional relationship. Independent service providers or distribution partners who offer rewards to their own customers without direction, funding or coordination from the issuer should fall outside the presumption. This clarification would ensure that the presumption remains appropriately targeted at issuer-driven arrangements, consistent with the statutory prohibition. **The rebuttal process**

GDF welcomes the inclusion of a rebuttal mechanism but considers that the current drafting does not provide sufficient clarity to support predictable compliance outcomes. The standard that written materials must demonstrate "in the OCC's judgment" that an arrangement is not prohibited introduces a high degree of subjectivity and limits the ability of firms to structure compliant arrangements with confidence.

Should the presumption be retained, GDF recommends that the OCC address this by:

- publishing guidance on the categories of evidence that would be considered sufficient to rebut the presumption, including evidence of independent funding, absence of issuer direction or control, and absence of intent to replicate the economic effect of interest or yield;

- committing to a defined timeframe for the review of rebuttal submissions; and
- confirming that determinations on rebuttal are subject to established administrative review or appeal processes.

These steps would significantly improve legal certainty while preserving the effectiveness of the anti-evasion framework.

Safe harbors

GDF supports the inclusion of carefully calibrated safe harbors as a means of providing clarity regarding arrangements that fall outside the scope of the statutory prohibition.

In particular, GDF recommends that the OCC clarify that activity-based incentives linked to the use of a payment stablecoin for payments, transfers, remittances, or settlement do not fall within the prohibition, as they are not based on passive holding. Similarly, loyalty programs, cashback arrangements, and promotional incentives offered independently by third parties, should be treated as outside scope of the prohibition, provided that such arrangements are not funded, directed, coordinated, or contractually mandated by the issuer or an affiliate for the purpose of replicating yield-like economics.

GDF considers that clear statutory interpretation of the prohibition, supported by targeted safe harbors for activity-based rewards and independent third-party arrangements, would fully achieve the OCC's anti-evasion objectives while providing the legal certainty necessary for issuers and their commercial partners to operate effectively. If the presumption is retained, the additional steps set out above on scope, rebuttal, and safe harbors would be essential to ensuring it operates proportionately and consistently with the statutory framework.

GDF would welcome continued engagement with the OCC on the development of these elements.

Question 37: Should the prohibition on interest and yield in proposed § 15.10(c)(4) be broader to prevent issuers from directly or indirectly paying interest or yield to payment stablecoin holders (rather than presuming that certain arrangements with affiliates or related third parties violate the prohibition)? Are there examples of potentially evasive behavior that the OCC should expressly include in a prohibition? If the OCC were to expand the prohibition, are there activities that should be expressly carved out of such an expansion?

GDF considers that the prohibition in §15.10(c)(4), as derived from the GENIUS Act, does not require expansion at this stage. The statutory prohibition already addresses payments of interest or yield made solely in connection with the holding, use, or retention of a payment stablecoin. The more pressing need is to ensure that the existing framework is appropriately scoped and clearly applied consistent with the statutory framework, as set out in our responses to Questions 35 and 36, including through removal of the rebuttable presumption which GDF considers goes beyond what the statute requires.

Expanding the prohibition to capture all direct or indirect payments to stablecoin holders, through an undifferentiated statutory or regulatory prohibition, could introduce significant legal uncertainty and risk capturing legitimate commercial arrangements that are consistent with the GENIUS Act's objective of establishing payment stablecoins as non-yield-bearing payment instruments. More fundamentally, an undifferentiated prohibition on all indirect economic benefits could risk extending beyond the statutory concept of payments made "solely in connection with" holding, use, or retention, and thereby capture commercial arrangements lacking the requisite nexus to passive stablecoin ownership.

GDF is concerned that an absolute prohibition on indirect payments, without a presumption and rebuttal mechanism, would leave issuers without a clear pathway to obtain regulatory certainty regarding permissible arrangements. A calibrated statutory framework, supported by clear guidance and targeted clarifications, provides a more proportionate and workable mechanism to address evasion risk.

With respect to potentially evasive behavior, GDF agrees that the OCC should address arrangements designed to replicate the economic effect of interest or yield through indirect means. Examples may include:

- arrangements where an issuer funds or directs a third party to make payments to stablecoin holders that are economically equivalent to a return on holding;
- structures where compensation to holders is explicitly linked to the duration or volume of stablecoin holdings, irrespective of transactional use; and
- contractual arrangements designed to mirror deposit-like or interest-bearing characteristics through alternative payment mechanisms.

GDF considers that such arrangements are appropriately addressed through the statutory prohibition framework, provided that it is narrowly calibrated to issuer-directed activity and supported by a clear and predictable interpretive guidance process.

If the OCC were to expand the prohibition or enumerate specific evasive arrangements, GDF recommends that this be accompanied by equally clear clarifications of arrangements that fall outside the scope of the prohibition. In particular, activity-based incentives linked to the use of a payment stablecoin for payments, transfers, or settlement; independent third-party promotional incentives offered without issuer direction or arrangement should be clearly distinguished from prohibited conduct.

Without such clarifications, an expanded prohibition risks capturing legitimate payment-related incentives and commercial arrangements that are consistent with the GENIUS Act's objectives and do not raise prudential concerns.

GDF considers that a framework focused on a clearly defined prohibition, statutory interpretation consistent with the GENIUS Act's framework, and targeted clarification of out-of-scope arrangements would effectively address evasion risk while preserving the legal certainty necessary for issuers and their commercial partners to operate effectively.

Question 38: Should the prohibition on interest and yield in proposed § 15.10(c)(4) clarify the terms "pay," "interest," "yield," "solely," or any other terms? If so, what clarifications would be helpful? What types of rewards, if any, should be subject to the prohibition?

GDF strongly recommends that the OCC provide definitional clarity on the key terms in §15.10(c) (4) and considers this an essential step to ensure that the prohibition is applied consistently and in line with the statutory framework. As GDF has set out in its response to the Treasury ANPRM, these terms carry established and distinct meanings in financial markets that should be reflected in the final rule.

"Interest" and "yield": GDF recommends that the OCC define "interest" as a contractual, periodic, or predetermined return paid by the issuer to a stablecoin holder solely by virtue of the holder's ownership of the stablecoin. "Yield" should be defined as a return generated through the deployment of reserve assets or other issuer activities and passed through to stablecoin holders.. Both terms should be understood as applying only to returns that are economically equivalent to a return on capital held by the issuer on behalf of the holder, and should not extend to benefits that do not carry this character. This would align the prohibition with its core purpose of preventing payment stablecoins from functioning as yield-bearing instruments.

"Solely": GDF recommends that the OCC clarify that the term "solely" performs a meaningful limiting function in the prohibition, Payments that arise from genuine transactional activity, including the use of a payment stablecoin for payments, transfers, or settlements, are not made "solely" in connection with holding, use or retention and should therefore fall outside the scope of the prohibition. This distinction is critical to ensuring that the prohibition targets passive holding incentives, rather than activity-based incentives linked to the use of a payment stablecoin as a payment instrument.

"Pay": GDF recommends that the OCC clarify that "pay" refers to a disbursement made by or at the direction of the permitted payment stablecoin issuer. This should not extend to payments made independently by third parties without any contractual arrangement with or direction from the issuer.

This clarification would ensure that the prohibition remains anchored to issuer conduct, consistent with the statutory framework of the GENIUS Act.

Types of rewards subject to the prohibition:

GDF considers that the prohibition should apply to arrangements that replicate the economic effect of interest or yield, including payments that are structured by reference to the amount or duration of stablecoin holdings and that provide a return on passive holding.

By contrast, arrangements that do not have this economic character fall outside the scope of the prohibition. This includes activity-based incentives linked to payments, transfers, remittances, or settlement activity; loyalty or cashback programs; and discretionary promotional incentives, provided that such arrangements are not structured to replicate the effect of interest or yield.

GDF considers that clear definitions of these terms would significantly enhance the operability of the prohibition, support consistent supervisory outcomes, and ensure that the GENIUS Act's objective of establishing payment stablecoins as non-yield-bearing payment instruments is achieved without capturing legitimate payment-related activity.

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

GDF welcomes the OCC's consideration of the economic dimensions of this question and offers the following observations based on the experience of our membership and GDF's published work on stablecoin utility and market dynamics.

Narrow vs broader prohibition

GDF's view is that a narrow prohibition, focused on payments of interest or yield made in connection with passive holding by the issuer, is consistent with the GENIUS Act's economic design. The Act deliberately prohibits issuer-paid interest in order to distinguish payment stablecoins from deposit-like instruments and to ensure that they function as payment tools rather than yield-bearing assets. Evidence from GDF members' experience indicates that the primary drivers of payment stablecoin adoption are transaction efficiency, cost reduction, speed, and programmability rather than yield. As such, a narrow prohibition that preserves activity-based incentives linked to payments is unlikely to materially alter the core economic value proposition of payment stablecoins.

By contrast, a broader prohibition that extends to all affiliate and third-party arrangements, including those not linked to passive holdings, risks capturing activity-based incentives that support payment adoption without advancing the underlying prudential objective. Such an approach could reduce the effectiveness of stablecoins as payment instruments without materially strengthening the prohibition on yield-like returns.

Impact on bank deposits

GDF considers that the impact of either approach on bank deposits depends primarily on whether stablecoins offer yield. The prohibition on issuer-paid interest is specifically intended to prevent payment stablecoins from functioning as substitutes for bank deposits.

Available evidence indicates that substitution effects between stablecoins and bank deposits are limited where stablecoins do not provide competitive yield relative to deposits. In this context, a narrow prohibition that maintains the non-yield-bearing nature of payment stablecoins is unlikely to result in significant deposit displacement.

Conversely, if stablecoins were able to offer interest or economically equivalent returns at scale, there is a greater potential for deposit substitution, with implications for bank funding and credit provision.

Overall assessment

GDF therefore considers that a narrow prohibition, combined with a well-calibrated anti-evasion framework, strikes the appropriate balance between preserving the payment-focused economic model of stablecoins and mitigating risks to the banking system. Expanding the prohibition beyond issuer-directed or yield-equivalent arrangements is unlikely to materially reduce systemic risk but may constrain legitimate payment-related innovation and adoption.

GDF encourages the OCC to ground its economic analysis in observed usage patterns and the distinction between payment functionality and yield-bearing characteristics, which is central to the GENIUS Act's design.

Question 40: Is the scope of the prohibition against pledging, rehypothecating, or reusing reserve assets sufficiently clear? Are there specific types of transactions, relationships, or structures for which it would be helpful to clarify whether the prohibition applies? For example, should the OCC clarify whether the prohibition would prevent establishing a collateral trustee that would hold a security interest in reserve assets for the benefit of stablecoin holders? What arguments weigh for and against finding that the prohibition would prohibit these arrangements? If a permitted payment stablecoin issuer sets up a collateral trustee arrangement where the issuer grants a security interest in the reserve assets, does this arrangement sufficiently protect the reserve assets in the event of insolvency or bankruptcy? Should a permitted payment stablecoin issuer be required to make particular disclosures if it uses such an arrangement? What should those disclosures include?

Overall, GDF supports the objective of the prohibition in §15.10(c)(5): against pledging, rehypothecating, or reusing reserve assets, namely to ensure that reserve assets remain unencumbered, segregated, and readily available to meet redemption obligations, and readily available to meet redemption obligations, and that stablecoin holders' claims are not subordinated to those of other creditors in an insolvency scenario.

However, GDF considers that the prohibition would benefit from additional clarification in two areas: the scope of the prohibition and the treatment of collateral trustee arrangements.

Scope of the prohibition

The terms "pledging," "rehypothecating," and "reusing" are not defined in the proposed rule, and their application to operational and custody arrangements is not always clear. GDF recommends that the OCC confirm that the prohibition is directed at arrangements that create competing claims over reserve assets in favor of third-party creditors or otherwise impair the issuer's ability to access and deploy those assets to meet redemption demands

The appropriate test for compliance should be whether reserve assets remain both legally unencumbered (i.e., free from competing creditor claims) and operationally accessible for redemption purposes. Arrangements that do create such risks should not fall within the scope of the prohibition., Providing illustrative examples of in-scope and out-of-scope arrangements would materially improve legal certainty.

Collateral trustee arrangements

The OCC has specifically asked whether a collateral trustee structure, under which a security interest in reserve assets is granted for the benefit of stablecoin holders, would fall within the prohibition. GDF considers that such arrangements should not be treated as prohibited where they are structured solely to protect holders and do not introduce competing creditor claims.

A collateral trustee arrangement of this kind does not involve the use of reserve assets to secure obligations to third-party creditors; rather, it may enhance holder protection by formalizing priority rights in insolvency. In this respect, such structures are aligned with the GENIUS Act's broader objective of ensuring that reserve assets are dedicated to satisfying stablecoin holder claims

GDF recommends that the OCC clarify that collateral trustee arrangements fall outside the prohibition where:

- the security interest is granted solely for the benefit of stablecoin holders;
- the arrangement does not impair the issuer's ability to access reserve assets to meet redemption obligations in the ordinary course; and
- the structure does not introduce competing claims from third-party creditors.

The OCC may also wish to set out the key structural features it would expect, including the trustee's mandate, the scope of the security interest, and any limitations on asset substitution.

Insolvency considerations

GDF considers that collateral trustee arrangements can enhance protection for stablecoin holders where properly structured, but their effectiveness will depend on applicable insolvency and property law in the relevant jurisdiction. The GENIUS Act already establishes strong protections for reserve assets and prioritizes holder claims, including through segregation and dedicated reserve requirements.

GDF therefore recommends that the OCC acknowledge the role of governing law and encourage issuers to obtain appropriate legal opinions on the enforceability and effectiveness of such arrangements across relevant jurisdictions.

Disclosures

Where a permitted payment stablecoin issuer adopts a collateral trustee arrangement, GDF supports proportionate disclosure requirements to ensure transparency for holders. At a minimum, disclosures should include:

- the identity and regulatory status of the trustee;
- the nature and scope of the security interest;
- the circumstances in which the trustee may enforce its rights; and
- any limitations on the issuer's ability to access or substitute reserve assets.

These disclosures could be incorporated into existing transparency mechanisms, including public disclosures and periodic reserve reporting, consistent with the broader disclosure framework in the proposed rule.

GDF considers that targeted clarification in these areas would ensure that the prohibition achieves its intended prudential objective while allowing issuers to adopt structures that enhance, rather than undermine, the protection of stablecoin holders.

Question 41: Should the OCC specify what "creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins" means under proposed § 15.10(c)(5)(iii)? Should the OCC pre-approve repurchase agreements by rule as proposed in § 15.10(c)(5)(iii)(B)? Alternatively, should the OCC allow for broad and open-ended approvals of the sale of reserves as purchased securities in repurchase agreements or should approvals be limited to specific types of transactions? What factors should the OCC consider prior to granting approval of the sale of reserves as purchased securities in repurchase agreements under proposed § 15.10(c)(5)(iii)(B)?

Overall, GDF welcomes the OCC's proposal to pre-approve repurchase agreements by rule under §15.10(c)(5)(iii)(B) and considers this a pragmatic and commercially important step that reflects a sound understanding of how institutional reserve portfolios are managed in practice. The ability to access liquidity quickly through repo markets is standard and well-understood, and rule-level pre-approval avoids the operational delays that case-by-case supervisory approval would create.

On the meaning of "reasonable expectations of requests to redeem," GDF recommends that the OCC clarify that this standard should be assessed by reference to each issuer's historical redemption patterns, customer base, and risk profile, rather than a fixed quantitative threshold. A principles-based approach calibrated to each issuer's circumstances is more appropriate given the diversity of business models across the market and would be consistent with the monetization capability requirements in proposed §15.11(a)(2).

GDF also notes that monetization tests are operationally well-suited to pooled reserve assets held at large custodians with deep market access but may become increasingly difficult to satisfy as diversification requirements push issuers to spread reserves across a larger number of smaller institutions with more limited liquidity infrastructure. An issuer that is required by the diversification framework to place a meaningful proportion of reserves at smaller depository institutions may find that those institutions cannot support the rapid monetization that the monetization capability requirements demand. The OCC should therefore ensure that monetization capability requirements are calibrated consistently with diversification expectations, so that compliance with one requirement does not functionally preclude compliance with the

other. GDF recommends that the OCC address this explicitly in its guidance on both the monetization capability standard and the diversification framework, confirming that the two sets of requirements are intended to be jointly satisfiable and that supervisory assessments will take into account the operational constraints that diversification arrangements may place on monetization capability.

Additionally, GDF also recommends that the OCC confirm that the pre-approval framework does not operate to prohibit repurchase agreements where the repo counterparty is also the custodian of the relevant reserve assets. Large, regulated custodians routinely provide both custody of Treasury securities and repo and reverse repo services as part of an integrated reserve management offering, and this combination is standard institutional market practice. The relevant supervisory question is not whether a single institution provides both services, but whether the issuer retains full legal ownership of and unimpeded access to its reserve assets at all times. Provided those conditions are satisfied, GDF recommends that the OCC confirm that integrated custody and repo arrangements are within scope of the pre-approval and do not require separate OCC approval or structural separation. Requiring issuers to use different counterparties for custody and repo would impose significant operational cost and fragmentation without delivering any commensurate improvement in reserve asset protection or redemption readiness.

Finally, on scope, GDF recommends that the OCC adopt a broad and flexible pre-approval framework rather than limiting approvals to specific transaction types, given that repo market structures and clearing mechanisms continue to evolve. We believe it would be beneficial for the OCC to confirm that the pre-approval extends to all overnight repurchase agreements backed by eligible reserve assets, including both centrally cleared and bilateral arrangements with adequately creditworthy counterparties, and commit to reviewing the scope periodically as market practice develops.

Question 42: Should permitted payment stablecoin issuers be required to provide disclosures stating that stablecoins are not legal tender, issued by the United States, or guaranteed or approved by the United States? If so, should the OCC impose any requirements on the manner in which disclosures are made? For example, should the OCC require that disclosures be made on the permitted payment stablecoin issuer's website, at point of direct sale by the issuer, alongside other types of disclosures, or in some other manner?

GDF supports the proposed disclosure requirements and considers them a proportionate and sensible consumer protection measure. Overall, we would encourage the OCC to adopt a flexible, outcomes-based approach that allows issuers to integrate these disclosures into their existing customer communication frameworks rather than prescribing a rigid format.

Question 43: Is any further clarity needed regarding the prohibition on the use of deceptive names, marketing, and representations in proposed § 15.10(c)(1) through (3)? For example, should the OCC specify what kind of images or branding are likely to violate the prohibition? Should the OCC require permitted payment stablecoin issuers to affirmatively state that payment stablecoins are not legal tender, issued by the United State, or guaranteed or approved by the Government of the

United States? Should the OCC explicitly require permitted payment stablecoin issuers to disclose that payment stablecoins are not subject to depositor share insurance?

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Reserve Assets

Question 44: Sec. 4(a)(1)(A)(vi) includes "securities 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 that are invested solely in underlying assets described in clauses (i) through (v)" as eligible reserve assets for payment stablecoins issued by permitted payment stablecoin issuers. However, many or all Government money market funds are investment companies registered under section 8(a) of the Investment Company Act of 1940. Should the provision relating to securities issued by investment companies registered under section 8(a) of the Investment Company Act, or other registered Government money market 188 funds, be clarified? Does section 4(a)(1)(A)(vi) permit securities issued by investment companies registered under section 8(a) of the Investment Company Act of 1940 that are not Government money market funds to be reserve assets for payment stablecoins issued by permitted payment stablecoin issuers? Are there any registered Government money market funds that are not investment companies registered under section 8(a) of the Investment Company Act? Does section 4(a)(1)(A)(vi) permit securities issued by registered Government money market funds that are not registered under section 8(a) of the Investment Company Act to be reserve assets for payment stablecoins issued by permitted payment stablecoin issuers?

First, GDF welcomes the inclusion of government money market funds as eligible reserve assets under §15.11(b)(6) and considers them an important and commercially significant component of a well-diversified reserve portfolio. Government MMFs offer issuers a practical mechanism for maintaining high-quality, liquid reserve assets while achieving a degree of diversification across underlying instruments that would be operationally difficult to replicate through direct holdings alone.

GDF's support for government MMFs as eligible reserve assets is grounded in, and consistent with, GDF's published body of work on tokenized money market funds and collateral mobility. As set out in our report on Tokenized Collateral, which focuses on TMMFs, and our response to the CFTC's request for input on tokenized collateral, we believe that government MMFs are among the strongest candidates for high-quality liquid asset management due to their dematerialized unit structure, predictable liquidity, yield preservation, and suitability for automated settlement workflows. These characteristics make them well suited not only as reserve assets for payment stablecoin issuers but, increasingly, as instruments for programmable collateral management more broadly. GDF encourages the OCC to recognize these characteristics explicitly in its eligibility framework, and to ensure that the criteria for MMF eligibility as reserve assets are calibrated to asset quality and liquidity rather than to technical registration classifications, consistent with our recommendation below.

To support this, GDF recommends that the OCC clarify the provision to ensure that all government MMFs that invest solely in the underlying assets described in §15.11(b)(1) through (5) are eligible as reserve assets, regardless of the precise registration pathway through which they are constituted under the Investment Company Act.

We understand that the policy objective of the provision is clearly to permit reserve holdings in vehicles that provide exposure to the same high-quality underlying assets that are otherwise eligible directly, and so to support this we believe it would be beneficial for the OCC to confirm that eligibility is determined by the composition of the fund's underlying assets rather than by technical registration classification.

Any ambiguity in the statutory drafting that could inadvertently result in certain government MMFs being excluded from eligibility on technical grounds, rather than on the basis of asset quality or liquidity, would be contrary to the provision's evident purpose and would unnecessarily constrain issuers' reserve management options.

GDF also recommends that the OCC commit to publishing a list of eligible government MMFs, or at minimum clear eligibility criteria with illustrative examples, to provide issuers with the certainty they need to structure their reserve portfolios with confidence.

This is consistent with our recommendation in response to Question 10 regarding the publication of eligible financial institution criteria and would materially reduce compliance costs and support timely market entry for new issuers.

Question 45: Should the provisions relating to repurchase agreements and reverse repurchase agreements be clarified? For example, should the OCC provide that deposits can serve as collateral for repurchase agreements? If so, what limitations, if any, should the OCC include with respect to the use of deposits as collateral?

Overall, GDF welcomes the OCC's inclusion of overnight repurchase and reverse repurchase agreements as eligible reserve assets and considers these instruments an essential component of a well-functioning reserve management framework. We recommend two targeted clarifications to improve the workability of these provisions in practice.

First, on the question of whether deposits can serve as collateral for repurchase agreements, GDF recommends that the OCC confirm this is permissible where the deposits are held at insured depository institutions and meet the eligibility requirements of §15.11(b)(2). Deposits are already eligible reserve assets in their own right and permitting their use as repo collateral would provide issuers with additional operational flexibility in managing short-term liquidity without compromising the quality of the underlying reserve position.

Second, GDF recommends that the OCC confirm that intraday repurchase agreements, as well as overnight arrangements, are expressly permitted under §15.11(b)(4) and (5), consistent with the OCC's own proposed clarification in the NPR. Intraday repo is a standard and important liquidity management tool for large reserve portfolios, and express confirmation of its eligibility would reduce operational uncertainty for issuers managing high-volume redemption flows across multiple time zones and settlement cycles.

Question 46: Should the proposed rule require a buffer or impose haircuts on certain reserve assets to ensure that reserve asset values do not fall below outstanding issuance values? The GENIUS Act requires permitted payment stablecoin issuers to maintain identifiable reserves "on an at least 1 to 1 basis." What measures should the proposed rule include to ensure that issuers are able to maintain this minimum? Without a buffer or other measures, the fair value of a permitted payment stablecoin issuer's reserve assets could fall below the required minimum if there are, for example, sudden increases in interest rates. While proposed § 15.13(a)(3)(i) would include a requirement to manage interest rate risk, should there be a more express requirement for a buffer (for example, 1% of reserve assets)? For example, the proposed rule could require permitted payment stablecoin issuers to maintain an amount of reserve assets sufficient to stay above the outstanding issuance value in light of risks facing the permitted payment stablecoin 189 issuer, including interest rate risk and risks associated with the capability to access and monetize reserve assets. Are there other considerations the OCC should take into account if it chose to calibrate such a buffer? As an alternative to requiring such a buffer, should the OCC provide guidance on what level of buffer is generally appropriate as a matter of prudent risk management?

Overall, GDF welcomes the OCC's careful consideration of this question and recognizes the legitimate concern that fair value fluctuations in reserve assets could, in certain market conditions, cause reserve values to fall below the outstanding par value of issued payment stablecoins. We offer the following observations across each dimension of the question.

On whether a mandatory buffer or haircuts are necessary

GDF's view is that a mandatory prescriptive buffer or haircuts on reserve assets are not necessary at this stage, and that the proposed rule's existing framework already provides adequate protection against the risk of reserve values falling below outstanding issuance value in normal market conditions. The eligible reserve asset universe in §15.11(b) is deliberately constrained to high-quality, short-duration instruments, primarily cash, demand deposits, Treasury bills with a maximum remaining maturity of 93 days, and overnight repo arrangements, that are characterized by negligible credit risk and limited interest rate sensitivity. The mark-to-market volatility of such assets is structurally bounded by their short maturity profiles, and the risk of a material and sustained fair value deficit relative to outstanding issuance value is therefore significantly lower for payment stablecoin reserves than for longer-duration fixed income portfolios.

On the interaction with interest rate risk management requirements

GDF considers the interest rate risk management requirements in proposed §15.13(a)(3)(i) to be the appropriate mechanism for addressing the residual interest rate sensitivity of short-duration reserve assets and recommends that the OCC rely on these requirements rather than imposing a separate mandatory buffer. Overall, we believe that a principles-based interest rate risk management standard, supervised on an ongoing basis and calibrated to each issuer's reserve composition and risk profile, is better suited to addressing this risk than a fixed percentage buffer that may be over-conservative for some issuers and insufficiently protective for others depending on their specific reserve mix.

On the 1% buffer proposal specifically

GDF does not support the introduction of a mandatory 1% buffer on reserve assets as a universal requirement. While we acknowledge that some level of over-collateralization may be prudent for certain issuers on a case-by-case basis, particularly those with more complex reserve portfolios or higher redemption volatility, a mandatory 1% buffer would impose a blanket commercial cost on all issuers regardless of their actual risk profile. Furthermore, we believe that such a buffer would be inconsistent with the GENIUS Act's instruction that reserve requirements be tailored to the business model and risk profile of each issuer. It could also have the unintended consequence of causing commercial viability concerns where cumulative conservatism in reserve and capital requirements risks deterring market entry and concentrating issuance among a small number of large incumbents.

On other considerations for buffer calibration

If the OCC determines that some form of buffer is appropriate, GDF recommends that the following considerations be taken into account in calibration. First, the buffer should be scaled to the interest rate sensitivity and maturity profile of each issuer's actual reserve portfolio rather than applied as a flat percentage of outstanding issuance value. An issuer holding 100% of reserves in demand deposits and overnight Fed account balances faces materially lower mark-to-market risk than one holding a higher proportion of 93-day Treasury bills, and calibration should reflect this distinction. Second, any buffer requirement should be assessed as part of the overall prudential package, including the 12-month operating expense backstop in proposed Subpart E, to avoid cumulative conservatism that immobilizes capital without commensurate risk reduction. Third, the OCC should consider allowing issuers to satisfy any buffer requirement through a combination of over-collateralization and access to committed liquidity facilities.

On the supervisory guidance alternative

Finally, GDF strongly supports the OCC's alternative suggestion of providing guidance on what level of buffer is generally appropriate as a matter of prudent risk management, rather than imposing a mandatory requirement. Guidance that articulates the OCC's supervisory expectations around over-collateralization, including indicative ranges calibrated to different reserve compositions and risk profiles, would be most beneficial and would give issuers the clarity they need to make informed reserve management decisions without imposing a one-size-fits-all requirement that may be poorly suited to the diversity of business models in the market. GDF recommends that any such guidance be developed in consultation with

industry and published prior to the effective date of the GENIUS Act to support timely compliance planning.

Question 47: Should the OCC expressly require that a certain percentage of reserve assets be held in custody either at an affiliate or at a third party? What are the potential costs and benefits of this approach, including with respect to operational risk?

No, we do not recommend that the OCC impose a mandatory percentage requirement for reserve assets to be held in custody at either an affiliate or a third party. We believe that the proposed rule's existing framework, which requires reserve assets to be held either directly by the issuer or within the custody of an eligible financial institution, already provides an appropriate and flexible baseline that accommodates a range of legitimate custody structures without prescribing a specific allocation between direct holding, affiliate custody, and third-party custody.

GDF's view is that custody arrangements should be assessed on the basis of whether they achieve the core outcomes of segregation, bankruptcy remoteness, operational resilience, and independent auditability, rather than by reference to a fixed percentage allocation. As GDF has set out in its Global Stablecoin Regulatory Playbook, we firmly believe that the credibility of a reserve custody framework rests on the quality and oversight of custodians rather than on the specific percentage split between custody arrangements. However, a mandatory percentage requirement would impose structural constraints on issuers' custody arrangements that may be commercially inefficient, operationally suboptimal, or incompatible with established institutional custody practices, without delivering a commensurate improvement in the protection of reserve assets.

On the question of affiliate custody specifically, GDF recommends that the OCC confirm that affiliate custody arrangements are permissible where the affiliate qualifies as an eligible financial institution under §15.2 and complies with all applicable custody requirements under proposed Subpart C, including the segregation, record-keeping, and conflict of interest requirements. Affiliate custody can offer operational efficiencies and resilience benefits, particularly for large issuers with integrated treasury and custody functions and should not be presumptively disfavored provided adequate safeguards are in place.

With regards to operational risk, GDF acknowledges that over-concentration of reserve assets at a single custodian, whether affiliate or third party, creates operational risk that the diversification requirements in §15.11(c) are designed to address. To mitigate these risks, we believe that the diversification requirements, combined with the monetization capability requirements in §15.11(a)(2) and the risk management standards in §15.13, to be the appropriate tools for managing custody concentration risk rather than a prescriptive percentage allocation requirement.

Question 48: Is the term "deposits or insured shares payable on demand" sufficiently clear? If not, how should the OCC clarify the term (i.e., what types of accounts should expressly be included within the term)?

Overall, GDF considers the proposed definition to be broadly clear and fit for purpose for the reserve asset framework. We recommend that the OCC confirm, in guidance if not in the rule text itself, that the term encompasses all standard demand deposit account structures commonly used by institutional issuers for reserve management purposes, including accounts held at foreign branches and correspondent banks of insured depository institutions as referenced in §15.11(b)(2), consistent with our recommendation in response to Question 10 above.

Question 49: Should the proposed rule define "reserve in tokenized form", to enhance clarity regarding proposed § 15.11(b)(8)? If so, should the OCC define "reserve in tokenized form" to refer to a digital asset, as defined in proposed § 15.2, that represents another asset and provides full legal rights to that underlying asset? What modifications to this definition or the rule's related terminology would enhance clarity?

Yes, GDF recommends that the OCC define "reserve in tokenized form" in the final rule but cautions against adopting an overly prescriptive definition that could inadvertently narrow the eligible universe of tokenized assets or become quickly outdated as tokenization markets continue to develop. Definitional clarity is important for compliance certainty, but a definition that is too technically specific risks creating a straitjacket that disadvantages legitimate and innovative tokenization structures and requires frequent regulatory amendment to remain fit for purpose.

GDF recommends that the OCC adopt a high-level, outcomes-based definition anchored to the legal and economic characteristics of the tokenized asset rather than its technical form. Specifically, GDF supports a definition that requires that the token's rights, risks, and economic function be substantively equivalent to, or directly derive from, the underlying eligible asset, regardless of the technology, ledger, or technical architecture used to record, transfer, or administer it. This approach would allow the OCC to assess specific tokenized assets against these principles on a case-by-case basis as market practice evolves, without prescribing a particular legal structure or technical form that risks becoming outdated.

Finally, we also recommend that the OCC commit to publishing guidance on how it will assess eligibility of specific tokenized reserve assets in practice, and to engaging with industry as tokenization standards and infrastructure continue to mature, to ensure that the framework remains accessible, proportionate, and fit for purpose over time.

Question 50: In the provision in proposed § 15.11(b)(5) regarding reverse repurchase agreements, is the proposed rule sufficiently clear in its reference to "overcollateralization in line with standard market terms?" If not, what clarifications would be appropriate?

Yes, overall GDF considers the proposed reference to standard market terms to be an appropriate and workable standard for overcollateralization in reverse repurchase agreements and supports the OCC's approach of deferring to established market conventions rather than prescribing specific haircut levels. For further clarity we would only additionally recommend that the OCC confirm in guidance that "standard market terms" should be assessed by reference to prevailing conventions in the US Treasury repo market, and that issuers may rely on documented counterparty agreements reflecting those conventions as evidence of compliance.

Question 51: Should the OCC provide additional detail on what securities could be in scope for "any other similarly liquid Federal Government-issued asset" under § 15.11(b)(7)? For example, should Treasury securities with remaining maturity of two years or less be permitted under § 15.11(b)(7)? What would be the implications for liquidity or interest rate risk of allowing these 190 types of securities to be held as reserve assets? If the OCC were to permit two-year Treasury securities to be used as reserve assets, should the OCC impose any additional requirements, such as requiring the weighted average maturity of Treasury securities held as reserves to be no more than 93 days (or some shorter timeframe) or requiring additional reserve asset diversification requirements (e.g., minimum amount of reserve assets held as deposits or minimum number of depository institutions holding the permitted payment stablecoin issuer's reserve assets) for permitted payment stablecoin issuers that hold Treasury securities with a remaining maturity between 94 days and two years?

GDF welcomes the OCC's consideration of whether the eligible reserve asset universe should be expanded to include Treasury securities with remaining maturities beyond 93 days, and offers the following observations across each dimension of the question:

On the scope of "similarly liquid Federal Government-issued asset"

We recommend that the OCC provide additional guidance on the criteria it will apply in assessing eligibility under §15.11(b)(7), consistent with our recommendation in response to Question 44. The four-factor test proposed in the NPR, covering liquidity characteristics, monetization capability, risk comparability, and absence of additional risks, is broadly sound and GDF supports its adoption as the framework for eligibility assessments. To further support this, we recommend that the OCC commit to publishing eligibility determinations under this provision on a transparent and timely basis, and to engaging with industry as new instruments and market structures develop.

On whether two-year Treasury securities should be permitted

GDF supports extending eligibility to Treasury securities with remaining maturities of up to two years under §15.11(b)(7), subject to appropriate safeguards. US Treasury securities across the maturity spectrum are among the most liquid assets in global financial markets, and two-year Treasuries in particular benefit from deep and consistently liquid secondary markets that support rapid monetization even under stressed conditions. Extending eligibility to these instruments would meaningfully improve the commercial viability of payment stablecoin issuance by allowing issuers to generate a modest yield on

a portion of their reserve portfolio without compromising the fundamental liquidity and safety characteristics of the reserve framework. This is consistent with GDF's engagement in other emerging regulatory regimes globally where we have also noted that an overly restrictive maturity limit on eligible sovereign debt risks imposing unnecessary commercial costs on issuers.

On liquidity and interest rate risk implications

GDF acknowledges that extending eligibility to longer-duration Treasury securities introduces additional interest rate sensitivity relative to the 93-day baseline. A two-year Treasury has a duration of approximately 1.9 years, compared to less than 0.25 years for a 93-day T-bill, meaning its mark-to-market value is more sensitive to interest rate movements. In a scenario of rapid and significant interest rate increases, a reserve portfolio concentrated in two-year Treasuries could experience meaningful fair value declines relative to outstanding par issuance value, leading to the risk that GDF addressed in response to Question 46.

However, we would reiterate that this risk is manageable through appropriate portfolio construction and risk management requirements rather than through a blanket maturity restriction. Two-year Treasuries remain highly liquid and readily monetizable through outright sale or repo arrangements, and the interest rate risk they introduce can be effectively managed through weighted average maturity limits, diversification requirements, and the interest rate risk management standards in §15.13. We believe therefore that the appropriate response to this risk is proportionate safeguards rather than categorical exclusion.

On weighted average maturity requirements

GDF supports the principle of a weighted average maturity cap for reserve portfolios that include Treasury securities with remaining maturities beyond 93 days, as a proportionate mechanism for limiting the interest rate sensitivity of the overall portfolio while preserving flexibility on individual asset selection. GDF recommends that the OCC consult further with industry on the appropriate calibration of any such cap, taking into account the composition of typical reserve portfolios and the liquidity characteristics of the relevant instruments, rather than prescribing a specific threshold in the final rule at this stage.

On additional diversification requirements

GDF supports the principle that issuers holding a higher proportion of longer-duration Treasury securities should be subject to enhanced diversification requirements to ensure near-term redemption demands can be met without forced liquidation of longer-duration holdings. The precise calibration of any enhanced requirements should be proportionate to the weighted average maturity and risk profile of each issuer's reserve portfolio, and GDF recommends that the OCC assess this as part of its ongoing supervisory review rather than setting fixed universal thresholds in the rule text. GDF would welcome the opportunity to engage with the OCC on appropriate calibration through industry consultation prior to the effective date of the Act.

Question 52: Should the proposed rule clarify that Treasury Floating Rate Notes (FRNs) and Treasury Inflation-Protected Securities (TIPs) be included as permissible reserve assets, assuming they otherwise meet the requirements of the proposed rule, including maturity requirements? Is there any reason these securities should be excluded? Should Treasury Separate Trading of Registered Interest and Principal of Securities (STRIPS) be included? Are there other instruments that should be considered as included within the GENIUS Act's phrase "Treasury bills, notes, or bonds"? If these securities are included, should there be additional requirements— for example, both weighted average life and weighted average maturity limits to accommodate interest rate resets in FRNs?

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Question 53: Should the proposed rule's requirements for reserve assets incorporate requirements to reflect potential interactions with the larger market for Treasury securities? For example, should the proposed rule include requirements to prevent any disruptive or negative effects that the management or liquidation of Treasury reserve assets might have on markets?

No, GDF does not consider it necessary for the proposed rule to include specific requirements directed at preventing market disruption from reserve asset management or liquidation at this stage of market development. The payment stablecoin market, while growing rapidly, still remains a small fraction of the overall Treasury securities market, and the risk of disruptive market interactions is not yet of a scale that warrants bespoke regulatory intervention beyond the existing diversification, concentration, and monetization capability requirements in proposed §15.11.

More broadly, GDF would encourage the OCC to recognize the positive market dynamic that well-regulated payment stablecoins create. As GDF has set out in its response to the Treasury ANPRM, stablecoin issuers tend to be large, stable, and long-term holders of short-dated sovereign debt, creating consistent structural demand for Treasury instruments that supports market depth and liquidity rather than undermining it. Private sector forecasts project payment stablecoin issuance reaching $500 billion or more in the near term, representing a meaningful and growing source of stable demand for US government securities. This dynamic reinforces the dollar's role as the leading global reserve and settlement currency and represents a strategic economic benefit.

Question 54: The proposed rule would, consistent with the GENIUS Act, allow as reserve assets funds held as demand deposits at an insured depository institution (including any foreign 191 branches or agents, including correspondent banks). Should the proposed rule add definitions for these terms to make them clearer or impose restrictions on the use of foreign branches or agents and correspondent banks? For example, should the proposed rule require that stablecoins denominated in United States dollars only be backed by demand deposits at U.S.-based depository institutions (i.e., reserve assets could not include Eurodollar deposits)? Should the OCC include any additional requirements with respect to reserve assets held abroad, such as applying a haircut to the

reserve assets, imposing a capital charge, or including additional policies and procedures to manage the risks associated with holding reserve assets abroad?

GDF welcomes the OCC's inclusion of demand deposits at foreign branches, agents, and correspondent banks of insured depository institutions as eligible reserve assets and considers this an important and proportionate recognition of how global stablecoin issuers manage their reserve portfolios in practice. We offer the following observations across the various aspects of this question:

On definitions

GDF recommends that the OCC provide additional clarity on the terms "foreign branches," "agents," and "correspondent banks" for purposes of §15.11(b)(2), particularly given the significance of these arrangements for non-US headquartered issuers seeking OCC registration. Clear definitions would reduce compliance uncertainty and support consistent implementation across issuers with diverse international banking relationships. At minimum, we believe that OCC should confirm that the terms are intended to be interpreted consistently with their established meanings under US banking law and the Bank Secrecy Act.

On restricting USD stablecoins to US-based deposits

GDF strongly recommends against restricting USD-denominated payment stablecoins to demand deposits at US-based depository institutions only. Such a restriction would be disproportionate, commercially damaging, and inconsistent with the GENIUS Act's objective of establishing an accessible and competitive payment stablecoin framework. Many of GDF's members, including non-US headquartered issuers seeking OCC registration, maintain established reserve management relationships with foreign branches of US banks and with non-US correspondent banks that are integral to their operational infrastructure. Requiring these issuers to restructure their reserve management arrangements to exclude for example Eurodollar deposits and foreign branch relationships would impose significant compliance costs and operational disruption without any commensurate improvement in the safety or liquidity of the reserve framework.

Consistent with our response to the Treasury ANPRM, we believe that reserve asset eligibility should be determined by the quality, liquidity, and segregation characteristics of the asset rather than the geographic location of the custodying institution. Foreign branches and correspondent banks of insured depository institutions are subject to oversight by US banking regulators and are well understood participants in US dollar clearing and settlement markets. We believe that their exclusion from the eligible reserve asset universe would be a significant step backward for international market access and would disadvantage non-US issuers relative to their US-based counterparts.

On haircuts, capital charges, and additional requirements for foreign-held reserves

GDF does not support the imposition of blanket haircuts or capital charges on reserve assets held at foreign branches or correspondent banks as a general rule. In particular, differential treatment based solely on booking location rather than underlying counterparty risk would be inconsistent with a risk-based

prudential framework. The risk profile of a demand deposit at a foreign branch of a well-capitalized US bank is not materially different from that of a demand deposit at a domestic branch of the same institution, and a blanket haircut or capital charge would create an unjustified cost differential that penalizes issuers for maintaining operationally efficient reserve structures.

Finally, with regards to policies and procedures, GDF would support a requirement that issuers maintain documented risk management frameworks addressing the specific risks associated with holding reserve assets at foreign branches and correspondent banks, including counterparty credit assessment, jurisdictional legal risk, and operational access risk. We believe that this would achieve the OCC's risk management objectives without imposing prescriptive quantitative restrictions that disadvantage key aspects of the market.

Question 55: Should the OCC develop a formal process to consider and approve securities under § 15.11(b)(7)? Should the OCC allow permitted stablecoin issuers or other parties to request that the OCC consider a specific type of security? Should any determinations on additional securities approved under this authority be made public?

Yes, we support the development of a formal, transparent process for considering and approving additional securities as eligible reserve assets under §15.11(b) (7) and considers this an important component of a well-functioning and future-proof reserve asset framework. As the payment stablecoin market continues to develop and new instruments and market structures emerge, a clear and accessible approval process will be essential to ensuring that the eligible reserve asset universe remains fit for purpose without requiring frequent regulatory amendments.

GDF recommends that the formal process include the following features. First, the OCC should allow permitted payment stablecoin issuers and other interested parties to submit requests for OCC consideration of specific securities, with a defined submission format and clear criteria against which requests will be assessed, consistent with the four-factor test in §15.11(b)(7). Second, the OCC should commit to responding to requests within a defined timeframe and should provide written reasons for any determination to decline a request to ensure accountability and support consistent decision-making over time. Third, all positive determinations approving additional securities as eligible reserve assets should be made public promptly, in order to provide all market participants with equal access to information about the eligible asset universe. We also recommend that the OCC consider publishing the criteria applied in reaching negative determinations to support market understanding of the boundaries of eligibility.

Overall, we believe that a well-designed formal process of this kind would provide issuers with the certainty and predictability they need to plan their reserve management frameworks with confidence, support innovation in reserve asset structures, and ensure that the OCC's reserve asset framework remains responsive to market developments over time.

Question 56: The proposed rule would require a permitted payment stablecoin issuer to maintain reserve assets, the fair value of which must equal or exceed the outstanding issuance value at all

times. Should the OCC impose a different standard, such as requiring the fair value of reserve assets to equal or exceed the outstanding issuance value at the end of each day or at the end of each business day?

GDF recommends that the OCC adopt an end-of-day standard for reserve asset coverage, rather than the "at all times" standard in the proposed rule. GDF notes that the GENIUS Act requires issuers to maintain reserves on a 1:1 basis but does not prescribe a continuous or real-time measurement standard. The "at all times" formulation is accordingly an OCC addition in the NPR rather than a statutory requirement, and GDF does not consider it necessary or appropriate for the OCC to go beyond the statutory language in this respect. An end-of-day measurement standard would therefore better align with the GENIUS Act's statutory framework while remaining operationally workable and consistent with established financial market practices.

An end-of-day standard is more consistent with how mark-to-market obligations are managed across traditional financial markets, better aligned with the operational reality of short-duration reserve portfolios, and avoids capturing intraday market noise that does not reflect genuine reserve adequacy concerns. As our members with direct operational experience of reserve management have noted, real-time continuous monitoring of reserve coverage introduces operational complexity and can produce misleading signals that are not meaningful from a prudential perspective, particularly where reserve assets are held across multiple custodians and settlement systems operating across different time zones and settlement cycles.

GDF also recommends that the OCC confirm that temporary and immaterial intraday shortfalls arising from normal settlement timing differences, rather than from deliberate under-collateralization, will be treated proportionately rather than as automatic compliance failures. This complementary safeguard would ensure that the end-of-day standard is applied in a manner that reflects the managed reality of institutional reserve operations, while preserving the OCC's ability to address genuine and sustained shortfalls through its supervisory toolkit.

Question 57: The proposed rule's requirements for reserve asset diversification and concentration include two options: (1) a flexible, principles-based baseline requirement plus a quantitative safe harbor or (2) quantitative requirements applicable to all permitted payment stablecoin issuers. Which option is more appropriate? How should either option, including the quantitative limits included in each option, be modified? For example, should the requirement or safe harbor's provision regarding holding reserve assets as deposits or insured shares payable on 192 demand or money standing to the credit of an account with a Federal Reserve Bank be set at five percent, 10 percent, 15 percent or 20 percent? Should this requirement be set at a different percentage (e.g., 10 percent) for small issuers and a larger percentage (e.g., 15 percent) for larger issuers? Should the requirement or safe harbor's provision regarding maintaining reserve assets as demand deposits, 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 or other maturing transactions be set at 20 percent, 25 percent, or 30 percent? Are the proposed maxima for various

types of reserve assets that may be held at an eligible financial institution appropriately calibrated? Would a shorter or longer weighted average maturity be appropriate? Should larger issuers have a shorter weighted average maturity requirement than smaller issuers? If the final rule includes quantitative requirements for all permitted payment stablecoin issuers, should there be additional risk management requirements to ensure that permitted payment stablecoin issuers appropriately manage diversification and concentration risk? In particular, the risk management requirements could include a requirement that permitted payment stablecoin issuers must measure and manage the risk that their gross exposure to any one institution or a small number of institutions may impair their ability to satisfy redemption demands.

GDF considers this one of the most significant questions in the proposed rule and welcomes the OCC's decision to present two distinct approaches for public comment. Our response addresses each dimension of the question in turn:

On Option A versus Option B

GDF strongly supports Option A, the principles-based general requirement with an optional quantitative safe harbor, over Option B's mandatory quantitative requirements for all issuers. We firmly believe that this option is in support of proportionate, risk-based regulation that is tailored to the business model and risk profile of each issuer and will result in greater alignment with GENIUS as well as more beneficial outcomes for the stablecoin market at large, rather than applying uniform quantitative thresholds across a diverse market.

The GENIUS Act itself instructs that diversification requirements be tailored to each issuer's business model and risk profile, and Option A is directly responsive to this statutory mandate. Conversely, we believe that a single set of mandatory quantitative thresholds cannot adequately reflect the material differences in reserve composition, redemption volatility, customer base, and operational complexity across issuers ranging from newly licensed nonbank entities to large, established global stablecoin issuers. Option A's principles-based baseline, supported by an optional safe harbor for issuers who prefer the certainty of quantitative compliance, provides the flexibility needed to achieve the GENIUS Act's objectives across this diverse market without imposing unnecessary costs on issuers whose risk profiles do not warrant the safe harbor thresholds.

GDF also notes that Option A is more consistent with international regulatory best practice. As GDF has documented in its Global Stablecoin Regulatory Playbook, leading stablecoin frameworks globally have generally favored principles-based liquidity and diversification requirements calibrated to issuer risk profiles over rigid mandatory quantitative thresholds, and we believe it would be beneficial for the OCC to align with this direction of travel to support a competitive and internationally coherent US framework.

On the quantitative thresholds in the safe harbor

We also strongly support the general structure of the Option A safe harbor thresholds as a reasonable starting point for what constitutes adequate diversification for a broad range of issuers.

Overall, we believe that the calibration should be guided by the following principles, which are grounded in our established positions:

- Daily liquidity requirements should be calibrated to reflect actual historical redemption patterns rather than worst-case stress scenarios, as we would note that overly conservative liquidity requirements risk permanently immobilizing reserve assets without commensurate financial stability benefit.
- Concentration maxima should be calibrated to ensure issuers can manage credit risk and counterparty exposure effectively while preserving their ability to place liquidity efficiently with the custodians and counterparties best placed to support timely redemptions. In particular, GDF cautions that blanket concentration thresholds risk impairing issuers' access to the deep liquidity infrastructure provided by large, well-capitalized custodians, including GSIBs, that may hold a significant proportion of customer accounts and provide the most operationally reliable channels for meeting redemption demands at scale. The primary objective of concentration limits should be to manage genuine credit and counterparty risk, not to mandate artificial fragmentation of reserve management arrangements that would reduce rather than enhance liquidity in a stress scenario. Any concentration thresholds in the safe harbor should therefore be calibrated to reflect this balance and should not operate to restrict issuers' access to custodians whose scale and institutional infrastructure are precisely what makes them well suited to holding reserve assets.
- Weighted average maturity limits should be proportionate to the maturity profile of the eligible reserve asset universe and should not create incentives to hold exclusively overnight assets where slightly longer duration instruments offer equivalent safety and liquidity characteristics.
- Differentiating requirements between larger and smaller issuers is a sensible and proportionate approach that GDF supports in principle, provided the thresholds for differentiation are clearly defined and do not create cliff-edge effects at transition points.

Question 58: The reserve asset diversification and concentration limits in proposed § 15.11(c) would not distinguish reserve assets held at Federal Reserve Banks and would therefore include requirements (or conditions of a safe harbor) that would limit the reserve assets held at any one Federal Reserve Bank. In light of the low credit risk associated with Federal Reserve Banks, should the final rule eliminate these requirements or conditions? Specifically, should the OCC exempt reserve assets held at a Federal Reserve Bank from the conditions in § 15.11(c)(2)(iii) 193 and § 15.11(c)(2)(iv) of Option A and the requirements in § 15.11(c)(3) and § 15.11(c)(4) of option B?

GDF strongly supports exempting reserve assets held at Federal Reserve Banks from the concentration and diversification requirements in §15.11(c) and recommends that the final rule make this exemption express regardless of whether Option A or Option B is adopted.

We understand and support the rationale for diversification and concentration limits is to manage counterparty credit risk and operational risk arising from over-reliance on any single eligible financial institution. However, as noted by the OCC the Federal Reserve Banks present neither of these risks. As

the central bank of the United States and the ultimate issuer of US dollar reserves, the Federal Reserve carries no credit risk in the conventional sense, and access to Fed account balances represents the most liquid and operationally reliable form of reserve holding available to any issuer. Applying concentration limits to Fed account balances would therefore serve no meaningful risk management purpose and would instead create a perverse incentive for issuers to reduce their Fed account holdings in favor of commercial bank deposits or other instruments that do carry counterparty credit and operational risk, which would be directly contrary to the financial stability objectives of the reserve framework.

We would also note that this position is consistent with how central bank reserves are treated in comparable international frameworks, including the Bank of England's proposed systemic stablecoin regime, where access to central bank money is recognized as a materially safer and more robust reserve holding than reliance on commercial bank deposits. We encourage the OCC to align with this international direction of travel by expressly exempting Fed account balances from concentration limits in the final rule.

Question 59: The reserve asset diversification and concentration limits in proposed § 15.11(c) would limit the reserve assets, including deposits, at any one financial institution. Should there be an exception to some or all of these requirements for a subsidiary of an OCC-regulated depository institution approved to be a permitted payment stablecoin issuer if the OCC-regulated depository institution has less than a certain amount of total assets (e.g., $10 billion, $30 billion, $50 billion)? For example, should a permitted payment stablecoin issuer that is a subsidiary of an OCC-regulated depository institution with less than a certain amount of total assets be permitted to hold a larger percentage, or all, of its reserve assets as deposits at the OCC-regulated depository institution? Should any such exception be subject to any conditions? For example, should it only be available if the OCC-regulated depository institution is well-capitalized?

GDF supports the principle of proportionate exceptions to diversification and concentration requirements where the risk profile of the underlying arrangement does not warrant their full application. For a permitted payment stablecoin issuer that is a subsidiary of a well-capitalized OCC-regulated depository institution, holding a higher proportion of reserves as deposits at the parent institution may represent a lower-risk arrangement than holding reserves across multiple unaffiliated institutions, given the OCC's direct supervisory oversight of the parent and the issuer's operational integration within the broader banking group.

However, GDF urges the OCC to consider carefully the competitive implications of any such exception. An exception that allows bank-affiliated issuers to concentrate reserves at their parent institution, while non-bank issuers remain subject to full diversification requirements, could create an uneven playing field that inadvertently advantages bank-affiliated issuers. GDF recommends that any exception be narrowly scoped, subject to a well-capitalized condition and ongoing OCC supervisory review and accompanied by enhanced disclosure requirements so that stablecoin holders can assess the concentration risk associated with the arrangement.

On the specific asset thresholds referenced in the question, GDF recommends that any threshold be set at a level that genuinely reflects a lower risk profile rather than simply providing relief for a broad category of institutions.

Question 60: Option A for proposed § 15.11(c) would require that a permitted payment stablecoin issuer must maintain reserve assets that are sufficiently diverse to manage potential credit, liquidity, interest rate, or price risks. Are there other risks that should be added to this list, or removed from it? If the final rule adopts mandatory quantitative diversification and concentration requirements, should the requirement to monitor and manage these risks be codified as a separate risk management requirement?

GDF broadly supports the proposed list of risks in Option A's diversification requirement and considers it to be broadly well-calibrated for the reserve asset context. With regards to the question of whether risk monitoring and management requirements should be codified as a separate risk management requirement if Option B is adopted, GDF's view is that this would be unnecessary duplication given the principles-based risk management standards already proposed in §15.13, and that a cross-reference between §15.11(c) and §15.13 would be sufficient to achieve the OCC's objectives without creating a parallel risk management framework.

Question 61: The OCC invites comment on the extent to which additional diversification requirements are necessary. Is it necessary to require that permitted payment stablecoin issuers maintain more than one type of reserve asset? Would it be sufficient for the OCC to require that permitted payment stablecoin issuers maintain only one secondary, backup reserve asset?

Overall, we support the principle that permitted payment stablecoin issuers should maintain more than one type of reserve asset as a matter of sound risk management and considers this consistent with the GENIUS Act's instruction that diversification requirements be tailored to each issuer's business model and risk profile. However, consistent with our support for Option A in response to the diversification question above, GDF recommends that this requirement be implemented through a principles-based standard rather than a prescriptive mandate for a specific number of asset types. For smaller and less complex issuers, a single primary reserve asset supplemented by one secondary backup asset may be entirely adequate to meet the diversification objectives of the proposed rule, whereas for larger and more complex issuers, a broader range of asset types may be appropriate. We believe that the OCC should assess compliance with diversification requirements by reference to each issuer's actual risk profile rather than imposing a universal minimum number of asset types that may be disproportionate for certain business models

Question 62: To diversify the maturity profile of reserve assets, should permitted payment stablecoin issuers be required to maintain a minimum amount of their reserve assets in cash or equivalents or assets that can be converted more readily into short-term liquidity, for example within a daily or weekly timeframe, akin to the requirements for money market funds in SEC Rule 2a-7 or short-term investment funds in 12 CFR 9.18(b)(4)(iii)?

GDF supports the principle of requiring permitted payment stablecoin issuers to maintain a minimum proportion of reserve assets in cash or highly liquid equivalents accessible within a daily or weekly timeframe, as a proportionate and operationally sensible safeguard against near-term redemption demands. This is consistent with the daily and weekly liquidity thresholds in the Option A safe harbor, which GDF has expressed support for as a reasonable starting point for what constitutes adequate liquidity management across a broad range of issuers. GDF considers the analogy to SEC Rule 2a-7 money market fund requirements to be broadly appropriate as a reference point for the liquidity management framework applicable to reserve portfolios, given the functional similarities in daily and weekly liquidity threshold design. We would note, however, that this analogy is to the liquidity management structure of MMFs rather than to their role as collateral instruments, which is a distinct and separately developed area of GDF's policy work. As GDF has set out in its TMMF report and CFTC collateral response, tokenized MMFs are being developed primarily as collateral instruments in derivatives markets rather than as cash equivalents in payment and settlement contexts, and the OCC should calibrate any 2a-7 analogy accordingly, drawing on the liquidity management provisions of that framework while remaining attentive to the specific characteristics of payment stablecoin issuance, including the distinction between conversion and redemption as the primary mechanisms through which holders access liquidity under normal market conditions.

Question 63: Should the proposed rule include other measures to encourage reserve assets to be held in the form of insured deposits or insured shares? Proposed § 15.11(d) would include a requirement for larger permitted payment stablecoin issuers to maintain a minimum percentage of assets as insured deposits or insured shares. While it may be difficult for larger permitted payment stablecoin issuers to hold reserve assets as insured deposits due to deposit insurance limits and the finite number of insured depository institutions in the United States, should permitted payment stablecoin issuers be required to hold some minimum amount of reserves as insured deposits in order to provide extra protection for stablecoin holders? Should the thresholds in proposed § 15.11(d) be set at different levels: for example, apply to issuers with an outstanding issuance value of $1 billion, $10 billion, $50 billion, or $100 billion or more? Should covered larger issuers be required to maintain a smaller or larger percentage of reserve assets as insured deposits or insured shares (for example, 0.1 percent, 0.25 percent, 1 percent, or 2 percent)? Should the cap be higher or lower (for example, $100 million, $250 million, or $1 billion)?

GDF's position on the proposed insured deposit requirements in §15.11(d) is that the OCC should confirm that the use of insured deposits as a component of reserve assets is permitted, and GDF supports their inclusion as an eligible reserve asset type. However, GDF strongly opposes any requirement that issuers hold a minimum percentage or floor of reserve assets in insured deposits. The GENIUS Act does not require the holding of insured deposits and any rule that mandates a minimum allocation, or that in practice creates a structural reliance on the insured deposit channel, would be inconsistent with the statute's clearly expressed framework. The decision to hold insured deposits as part of a reserve portfolio should be an issuer determination, made on the basis of each issuer's own reserve management strategy, risk profile, and operational relationships, rather than a regulatory mandate. GDF recommends that the

OCC confirm expressly that no minimum percentage or floor requirement for insured deposits will be imposed, and that any measures in §15.11(d) be framed solely as permissive rather than mandatory.

Question 64: How should the OCC calibrate the insured deposit requirement for permitted payment stablecoin issuers? Should it be as a percentage of assets or an absolute number? If a percentage, what percentage should that be? If an absolute number, what should that be? Should there be a cutoff for permitted payment stablecoin issuers above or below a certain size threshold 195 that should be required to place insured deposits? If so, why? What would be the implications of such a cutoff? What is the total amount of insured stablecoin deposits that the banking system in the United States can or should reasonably absorb? What is the total amount of insured stablecoin deposits that an individual community bank is likely to hold?

Consistent with our response to Question 63, GDF does not consider it appropriate for the OCC to calibrate a mandatory insured deposit requirement, whether expressed as a percentage of assets or as an absolute number, as GDF's position is that no such requirement should exist. To the extent the OCC nevertheless considers some form of insured deposit requirement necessary, GDF would urge that any threshold be set at a level that reflects genuine prudential need rather than a policy preference for channeling reserves into the insured deposit system, and that any requirement be accompanied by sufficient flexibility to ensure it does not create operational or commercial constraints that are disproportionate to the risk being addressed. GDF remains of the view that the reserve asset framework in §15.11, combined with principles-based diversification requirements, already provides adequate protection for stablecoin holders without mandating a specific allocation to insured deposits.

Question 65: There are approximately 4380 total insured banks in the United States. Should the proposed rule include other measures to spread insured stablecoin deposits throughout the banking system? If so, how broadly should insured deposits from permitted payment stablecoin issuers be distributed? For example, should the final rule be calibrated so that essentially every bank in the United States could hold some amount of insured deposits from permitted payment stablecoin issuers if consistent with their risk appetite and risk management abilities? If so, why? If not, why not?

No comment.

Question 66: Deposit placement services could be used to facilitate compliance with these diversification requirements, as long as permitted payment stablecoin issuers are able to maintain the operational ability to access the deposits, consistent with proposed § 15.11(a). Please describe any risks associated with using such services or other intermediaries and how permitted payment stablecoin issuers could best mitigate these risks.

Overall, we welcome the OCC's recognition that deposit placement services are a practical and operationally efficient mechanism for achieving reserve diversification compliance and considers their use consistent with the monetization capability requirements in proposed §15.11(a)(2). Deposit placement

services can allow issuers, particularly smaller and newer entrants with more limited direct banking relationships, to access a diversified pool of insured depository institutions without the operational complexity of establishing and maintaining individual bilateral relationships with each institution. GDF recommends that the OCC confirm expressly that the use of deposit placement services is a permitted mechanism for achieving compliance with the diversification requirements in §15.11(c), subject to the issuer maintaining the operational ability to access and monetize the placed deposits in a timely manner consistent with its redemption obligations.

On risks, GDF acknowledges that deposit placement services can introduce intermediary risk, including the risk that the placement service itself experiences operational disruption or insolvency that impairs the issuer's timely access to placed deposits. GDF recommends that the OCC address this through a principles-based requirement that issuers conduct appropriate due diligence on deposit placement service providers, maintain documented contingency arrangements for accessing placed deposits through alternative channels in the event of intermediary disruption, and ensure that custody and access arrangements with placement services are clearly documented and legally enforceable.

Question 67: Could reserve diversification requirements that encourage diffusion of deposits cause risks to the banking system (for example, increasing run risks at banks or replacing more stable deposits with deposits that more likely to be withdrawn quickly and in large volumes)? Could such diversification requirements raise operational risks for permitted payment stablecoin issuers or banks? How difficult would it be for permitted payment stablecoin issuers to liquidate such deposits in a stressed environment? If deposit insurance rules change, so that even larger 196 permitted payment stablecoin issuers could be able to hold all their required deposits as insured, should all deposits held as reserve assets be required to be insured?

GDF welcomes the OCC's consideration of this question and would encourage a balanced assessment of the systemic risks associated with reserve deposit diffusion. As GDF has set out in its response to the Bank of England's systemic stablecoin consultation, available international evidence does not currently demonstrate that well-regulated, fully backed stablecoins have driven material or destabilizing deposit outflows from the banking sector. The primary driver of stablecoin adoption is payment utility rather than deposit substitution, and reserve deposits placed by stablecoin issuers at diversified institutions represent a stable and predictable source of funding. GDF encourages the OCC to take account of this evidence base when calibrating diversification requirements and would welcome ongoing engagement with the OCC on market data as the payment stablecoin sector continues to develop.

With regards to operational risks, GDF notes that highly diffused deposit structures can create genuine operational complexity for issuers managing large numbers of bilateral banking relationships, particularly in stressed environments where rapid monetization across multiple institutions may be required simultaneously. However, we believe that the monetization capability requirements in §15.11(a)(2) are the appropriate mechanism for addressing this risk.

Finally, with regards to the question of whether all reserve deposits should be required to be insured if deposit insurance rules change, GDF's view is that this question is premature and should be assessed in light of actual market and regulatory developments at the relevant time rather than addressed prescriptively in the current rulemaking.

Question 68: Should the proposed safe harbor (or alternatively, the liquidity requirements directly) require a permitted payment stablecoin issuer to maintain at least 20 percent of required reserve assets at insured depository institutions with less than $30 billion in total assets (either directly or indirectly through a deposit broker)? Would such an approach help ensure appropriate reserve asset diversification, particularly as these smaller insured depository institutions are unlikely to be counterparties to the permitted payment stablecoin issuer in repurchase agreements or reverse repurchase agreements?

No comment.

Question 69: How would the proposed rule affect the amount of deposits maintained in the United States banking system? Would the proposed rule reduce the number of deposits maintained in the United States banking system and therefore affect the ability of United States banks to lend? What, if any, measures should the proposed rule include to mitigate such concerns? Should the proposed rule include a minimum percent of reserve assets as deposits in order to offset potential reductions in overall deposit levels?

No comment.

Question 70: One option in the proposed rule would include flexible baseline diversification and concentration requirements, coupled with an optional quantitative safe harbor. Should the default requirement for permitted payment stablecoin issuers include quantitative limits for asset diversification? For example, the OCC could impose quantitative limits on the maximum amount of uninsured demand deposits that permitted payment stablecoin issuers can maintain with a single insured depository institution, in addition to any restrictions imposed by the FDIC pursuant to its authority under the Act. Permitted payment stablecoin issuers might be required to maintain no more than a specified percentage (for example, one percent, five percent, or 10 197 percent) as uninsured demand deposits at a single depository institution. Examples of other quantitative limits could include the following. - Minimum cash limits, such as a minimum amount of money standing to the credit of an account of a Federal Reserve bank plus demand deposits as a percentage of operating expenses for a specific period, as a percentage of total reserve assets, or as a percentage of modeled stress cash outflows (for example, 10 percent or 15 percent); - Minimum amount of assets maturing daily, weekly, or over some other time period (for example, assets available on demand or maturing weekly must constitute 20 percent of reserve assets); - Counterparty diversification limits, such as maximum credit exposure to repo or reverse repo counterparties; and - Limitations on tokenized forms of reserve assets under proposed § 15.11(b)(8), such as limiting the amount to no more than a certain percentage (e.g., 20 percent) of a permitted payment stablecoin issuer's total

reserve assets. What other limits should be considered? Such requirements could be tailored according to size; for example, larger and more complex permitted payment stablecoin issuers may be required to adhere to more stringent diversification and concentration requirements.

With regards to this question, GDF would reiterate our response to the diversification question above, where we strongly supported Option A's principles-based approach with an optional quantitative safe harbor over any mandatory quantitative default requirements. We firmly believe that the specific quantitative limits contemplated in this question, including percentage caps on uninsured deposits at single institutions, minimum cash limits, minimum daily and weekly liquidity thresholds, and counterparty concentration limits for repo and reverse repo counterparties, are all better addressed through the optional safe harbor framework rather than as mandatory default requirements applicable to all issuers regardless of their size, risk profile, and business model.

On the specific question of caps on tokenized forms of reserve assets, GDF recommends against a mandatory percentage cap on tokenized reserve assets as a default requirement. Such a cap could inadvertently constrain the adoption of tokenized instruments that meet the same quality and liquidity standards as their conventional equivalents. Where the OCC has concerns about the risk profile of specific tokenized reserve assets, these are better addressed through the eligibility assessment process in §15.11(b)(7) and (b)(8) rather than through a blanket percentage restriction.

Question 71: Should the OCC adopt the proposed safe harbor option (Option A) for proposed § 15.11(c)? Does the proposed safe harbor adequately address differences in business models, while addressing risks associated with asset concentration? Should the proposed safe harbor include different quantitative thresholds? What other features should the safe harbor incorporate, if adopted?

GDF would reiterate our strong support for Option A and the adoption of the proposed safe harbor as set out in our response to the diversification question above. We consider the safe harbor to be an important and well-designed feature of the proposed framework that provides issuers with a transparent and standardized compliance pathway while preserving the flexibility of the principles-based baseline for issuers whose circumstances do not fit neatly within the safe harbor thresholds.

On whether the safe harbor adequately addresses differences in business models, GDF's view is that the optional nature of the safe harbor is precisely what makes it fit for purpose across a diverse market. Issuers with simpler business models and lower risk profiles may find the safe harbor thresholds conservative relative to their actual risk, while larger and more complex issuers may find them insufficient. The principles-based baseline accommodates both cases, and the safe harbor provides a clear compliance anchor for the majority of issuers in between. With regards to additional features, GDF recommends that the safe harbor include an explicit provision confirming that temporary and immaterial breaches of safe harbor thresholds arising from normal market movements or settlement timing differences will not automatically constitute a compliance failure, consistent with our recommendation with regards to ‘end-of-day’ requirements in response to Question 56.

Question 72: Should the OCC adopt any other restrictions on reserve asset concentration? If so, should they be based on gross exposures to particular counterparties? Or should the restrictions be more prescriptive? For example, should the rule prohibit a permitted payment stablecoin issuer from entering into a reverse repurchase agreement with any counterparty that holds deposits that serve as reserve assets for the permitted payment stablecoin issuer? Are the reserve asset concentration requirements appropriately calibrated? Should the OCC require that no more than 5, 10, or 15 percent of a permitted payment stablecoin issuer's reserve assets may be deposits or insured shares held at a single depository institution?

GDF would again reiterate our support for Option A's principles-based approach to concentration requirements as set out in our responses to the diversification question and Question 70 above. We do not consider additional prescriptive concentration restrictions to be necessary beyond those already contemplated in the Option A safe harbor, and caution against layering further mandatory requirements on top of a framework that is already well-designed to manage concentration risk in a proportionate manner.

In particular, GDF cautions that blanket concentration thresholds risk impairing issuers' ability to place liquidity efficiently with large custodians and GSIBs that may hold a significant proportion of customer accounts. The primary objective of concentration limits should be to ensure timely access to liquidity and manage credit and counterparty risk, not to mandate artificial fragmentation of reserve management that reduces rather than enhances liquidity in a stress scenario. Any concentration limits should be calibrated to achieve those objectives without restricting issuers' access to the deep liquidity infrastructure provided by large, well-capitalized custodians whose scale and institutional infrastructure make them well suited to holding reserve assets reliably and at pace.

On the specific suggestion of prohibiting reverse repurchase agreements with counterparties that also hold reserve deposits, GDF does not support this restriction. Such a prohibition would significantly constrain issuers' repo market access, as the universe of eligible repo counterparties and the universe of depository institutions holding reserve deposits will frequently overlap for large and well-established issuers. The risk we believe that this restriction is designed to address (excessive concentration of exposure to a single counterparty across multiple instruments) we feel would be better managed through the gross exposure concentration limits already contemplated in the Option A safe harbor rather than through a categorical prohibition on specific transaction types.

Question 73: Should the OCC's concentration requirements include requirements to not have more than a specified portion of reserve assets at a single custodian? Would this requirement impose undue burden? For example, would requiring the use of more than one eligible financial institution as custodian of Treasury securities and collateral for reverse repurchase agreements impose undue burden or complexity on the management of reserve assets? What are the costs and benefits of such an approach, including from an operational risk perspective?

GDF supports the principle that reserve assets should not be excessively concentrated at a single custodian, as this introduces operational and counterparty risk that the diversification framework is designed to address. However, we recommend that custodian concentration requirements be implemented through the principles-based baseline in Option A rather than as a mandatory quantitative restriction, consistent with our position on diversification requirements more broadly.

GDF also cautions that mandatory custodian concentration limits risk producing the opposite of their intended effect where they restrict issuers' access to large, well-capitalized custodians and GSIBs that provide the deepest and most reliable liquidity infrastructure. Issuers should be required to manage and balance credit risk and counterparty concentration to ensure timely access to liquidity, but concentration limits should not be calibrated in a way that impairs their ability to place reserves efficiently with custodians best positioned to support redemption demands at scale. The appropriate test is whether the issuer can demonstrate timely access to liquidity, not whether reserves are distributed across a minimum number of institutions.

With regards to the question of operational burden, GDF acknowledges that requiring the use of more than one custodian for Treasury securities and repo collateral can introduce genuine operational complexity, particularly for smaller and newer issuers who may have more limited custodial infrastructure and fewer established counterparty relationships. Mandatory multi-custodian requirements could impose disproportionate costs on these issuers without commensurate risk reduction, particularly where a single well-capitalized and OCC-supervised custodian already provides robust segregation, record-keeping, and operational resilience. GDF recommends that the OCC assess custodian concentration as part of its broader supervisory review of each issuer's reserve management framework rather than prescribing a mandatory minimum number of custodians, and that any expectation of multi-custodian arrangements be calibrated to the size and complexity of the issuer's reserve portfolio.

Question 74: Should the proposed rule include measures to ensure that a permitted payment stablecoin issuer is not overly reliant on short-term lending transactions to meet immediate liquidity needs? In the absence of such a restriction, a permitted payment stablecoin issuer hypothetically might maintain a reserve asset portfolio entirely of Treasury securities and rely on overnight repo transactions to generate the daily liquidity amounts required by the proposed rule. This arrangement could leave the permitted payment stablecoin issuer vulnerable to disruptions in repo markets. Should the proposed rule require excluding short-term repayment obligations from daily and weekly liquidity? For example, the proposed rule could require, for daily liquidity, deducting payments due on overnight borrowings and, for weekly liquidity, deducting 199 any payments due within the next five business days? If such a restriction is included, should repayment deductions be offset by any expected inflows?

GDF agrees that over-reliance on short-term lending transactions to meet daily liquidity needs could create operational risk for some permitted payment stablecoin issuers, particularly in periods of repo market disruption. However, we recommend that this risk be addressed through the principles-based

liquidity management standards in §15.13 and the monetization capability requirements in §15.11(a)(2), rather than through prescriptive deductions from daily and weekly liquidity calculations.

On the specific suggestion of requiring deductions of overnight borrowing repayments from daily liquidity and weekly repayment obligations from weekly liquidity, GDF acknowledges this is a technically sound approach to ensuring that liquidity metrics reflect net rather than gross positions. However, requiring such deductions as a mandatory rule-level requirement would add significant operational complexity to liquidity reporting and could produce counterintuitive results for issuers with sophisticated and well-diversified liquidity management frameworks. GDF instead recommends that the OCC address this risk through supervisory expectations around liquidity stress testing and contingency funding planning rather than through mandatory deduction mechanics, with the OCC retaining discretion to require more prescriptive treatment where a specific issuer's reliance on repo markets for daily liquidity raises supervisory concerns.

Finally, with regards to whether repayment deductions should be offset by expected inflows, GDF supports allowing expected inflows to offset deductions where those inflows are contractually certain and operationally reliable, consistent with standard liquidity risk management practice. A net liquidity measure that accounts for both outflows and contractually certain inflows provides a more accurate picture of an issuer's true liquidity position than a gross outflow measure.

Question 75: Consistent with the Act, the proposed rule would allow physical currency, including coins, to serve as reserve assets. Nevertheless, given the limitations on transferring physical currency, particularly difficulties that may arise in deploying physical currency quickly to meet sudden demands for redemptions, should the proposed rule impose limits on how much physical currency can serve as reserve assets? For example, the proposed rule could require that physical currency constitute no more than 5 percent or 10 percent of a permitted payment stablecoin issuer's reserve assets. Should the proposed rule impose special requirements to make sure that physical currency is safeguarded (for example, against theft or fire)? For example, should there be periodic verification or inspection requirements for physical currency used as reserve assets?

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Question 76: The proposed rule would generally require reserve assets to be valued at fair value for the purpose of determining compliance with the proposed rule's reserve asset requirements. Should United States coins and currency be required to be valued at par for purposes of the proposed rule's reserve asset requirements?

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Question 77: Should the proposed rule include special limits on Treasury bonds and notes that may be more thinly traded and therefore more likely to sell at a discount? The GENIUS Act would allow permitted payment stablecoin issuers to hold as reserve assets Treasury notes and bonds so long as

they have a maturity of 93 days or less. Older and off-the-run Treasury securities may be more difficult to sell and may only be marketable at a discount.128 Should the 128 See Dimitri Vayanos & Jiang Wang, "Market Liquidity – Theory and Empirical Evidence," National Bureau of Economic Research Working Paper 18251 (July 2012), https://www.nber.org/system/files/working_papers/w18251/w18251.pdf. 200 proposed rule limit the portion of reserve assets that Treasury bonds and notes can comprise—for example, 20 percent of total reserve assets?

We acknowledge the OCC's concern that off-the-run Treasury bonds and notes with remaining maturities of 93 days or less may be more thinly traded than on-the-run instruments and could be harder to liquidate at par under stressed conditions. However, we recommend that this risk be addressed through the monetization capability requirements in §15.11(a)(2) and the principles-based diversification standards in §15.11(c) rather than through a prescriptive percentage cap on Treasury bonds and notes as a category. A well-supervised monetization capability assessment will naturally capture concentration in less liquid instruments, as issuers will be required to demonstrate that they can access and liquidate their reserve assets quickly and at reasonable prices. We believe that a categorical percentage cap would risk not effectively distinguishing between on-the-run and off-the-run instruments within the same maturity bucket and could unintentionally create incentives to hold instruments that formally satisfy the cap while still presenting meaningful liquidity challenges in a stress scenario.

Question 78: Should the final rule specify the manner in which banks must "measure and manage" credit, liquidity, interest rate, price risk, and concentration risk under proposed § 15.11(c)? For example, should the OCC adopt related record retention or other requirements?

GDF supports a principles-based approach to the measurement and management of risks under §15.11(c), consistent with our position on Option A throughout this response. The risk management standards already proposed in §15.13 provide the appropriate framework, and the OCC should rely on its supervisory review process to assess the adequacy of each issuer's practices rather than codifying prescriptive methodologies in the rule text.

Question 79: Should permitted payment stablecoin issuers that are subsidiaries of national banks or Federal savings associations be required to make arrangements to borrow via the discount window or from other contingent funding sources, such as Federal Home Loan Banks? The ability to borrow from contingent funding sources, including the discount window, may depend on, among other things, the policies and regulations of the Federal Reserve System, and the OCC welcomes comments on how permitted payment stablecoin issuers may, or may not, be able to utilize liquidity provided by contingent funding sources.

Overall, we support the availability of contingent funding sources, including the discount window, for permitted payment stablecoin issuers that are subsidiaries of national banks or Federal savings associations, and welcome the OCC's recognition that access to such facilities may support issuers' ability

to meet redemption obligations under stress. However, we recommend against making such arrangements a mandatory requirement, particularly given that access to the discount window depends on Federal Reserve policy and regulatory determinations that are outside the OCC's direct control. A principles-based expectation that issuers demonstrate credible contingency funding arrangements appropriate to their size, risk profile, and redemption obligations would be more proportionate and operationally workable than a prescriptive requirement. GDF also notes that if non-bank permitted payment stablecoin issuers do not have equal access to the discount window, and any requirement of this kind should be carefully scoped to avoid creating an uneven playing field between bank-affiliated and non-bank issuers.

Question 80: Should the proposed rule include special measures to ensure that reverse repurchase agreements are appropriately overcollateralized? Proposed § 15.11(b)(5) would permit the inclusion, as reserve assets, of reverse repurchase agreements "subject to overcollateralization in line with standard market terms." As one possibility, the proposed rule could include no special measures, and the examination and supervision process could be used to evaluate if particular payment stablecoin issuers are failing to overcollateralize their reverse repurchase agreements in line with standard market terms. As another possibility, the proposed rule could include more express requirements, for example, that overcollateralization haircuts cannot be less than 0.5 percent.

Yes, we support the OCC's supervisory approach as the primary mechanism for assessing whether reverse repurchase agreements are appropriately overcollateralized in line with standard market terms, rather than codifying a specific minimum haircut in the rule text. Standard market terms for overcollateralization in the Treasury repo market are well-established and widely understood by institutional participants, and the existing reference to those terms in §15.11(b)(5) provides a clear and workable standard. Prescribing a specific minimum haircut, such as the 0.5% example referenced in the question, risks becoming quickly outdated as market conventions evolve and could produce unintended consequences for issuers operating across different repo market structures. The examination and supervision process is better suited to identifying cases where overcollateralization practices fall short of market norms, and the OCC should retain flexibility to address such cases through its supervisory toolkit rather than through a fixed rule-level requirement.

Question 81: Should permitted payment stablecoin issuers be required to conduct stress tests, including stress tests to manage liquidity and interest rate risks? The GENIUS Act permits the 201 inclusion of bilateral reverse repurchase agreements as reserve assets "with [counterparties] that the issuer has determined to be adequately creditworthy even in the event of severe market stress." How should issuers evaluate the impact of "severe market stress"? Should diversification requirements be based on the outcome of any stress tests? For example, permitted payment stablecoin issuers could be required to maintain a minimum amount of readily available reserve assets (for example, demand deposits and reserve balances) based on the results of liquidity stress tests? In particular, permitted payment stablecoin issuers could be required to maintain— or could

elect to maintain as part of the proposed safe harbor—an amount of readily available reserve assets at least sufficient to meet outflow levels predicted by an internal liquidity stress test.

Overall, we support the principle of stress testing as a sound risk management practice for permitted payment stablecoin issuers. However, consistent with our position throughout this response, we recommend that stress testing requirements be implemented through the principles-based risk management standards in §15.13 rather than as a mandatory rule-level requirement applicable uniformly to all issuers regardless of size and complexity.

With regards to the evaluation of "severe market stress" for purposes of assessing bilateral repo counterparty creditworthiness, GDF recommends that the OCC provide guidance on the factors issuers should consider, including historical stress events in Treasury and repo markets, counterparty credit quality under adverse scenarios, and the availability of alternative monetization channels. A principles-based framework that requires issuers to document their counterparty creditworthiness assessments and make them available to the OCC on request would be more workable than prescribing a specific stress scenario methodology.

Finally, on whether diversification requirements should be based on stress test outcomes, GDF considers this an operationally sensible approach for larger issuers, and we support the option for issuers to elect a stress test-based liquidity floor as part of the safe harbor framework. However, we believe that making stress test outcomes a mandatory determinant of diversification requirements for all issuers would impose disproportionate compliance costs on smaller and newer entrants whose simpler reserve portfolios do not warrant that level of analytical sophistication. Given this, we agree that the safe harbor election model, under which issuers may choose to demonstrate compliance through internal liquidity stress test outcomes rather than the fixed quantitative thresholds, strikes the right balance between flexibility and rigor and is consistent with GDF's support for Option A throughout this response.

Question 82: Should permitted payment stablecoin issuers be required to adopt written plans or policies and procedures related to liquidity planning? For example, should permitted payment stablecoin issuers be required to adopt their own concentration restrictions, including limits on deposit concentrations at insured depository institutions, that are tailored to their own business model, operations, and risk profile? Similarly, should permitted payment stablecoin issuers be required to adopt liquidity management plans, which would include provisions to assign responsibility for liquidity risk management and address contingency funding needs?

GDF supports a requirement for permitted payment stablecoin issuers to adopt written policies and procedures related to liquidity planning, as a proportionate and operationally sensible component of the risk management framework in §15.13. Requiring issuers to document their approach to liquidity risk management, including concentration limits tailored to their own business model and contingency funding arrangements, is consistent with sound institutional practice and supports the OCC's supervisory oversight without prescribing a one-size-fits-all approach. However, GDF also recommends that any such

requirement be principles-based and scaled to the size and complexity of the issuer, with smaller and newer issuers subject to lighter-touch documentation expectations than larger and more systemically significant ones, consistent with the proportionality principle which we have noted throughout this response.

Question 83: Subclause 4(a)(1)(A)(i) of the GENIUS Act (12 U.S.C. 5903(a)(1)(A)(i)) provides that reserve assets can include "money standing to the credit of an account with a Federal Reserve Bank." Should diversification requirements include special measures for reserve bank balances if permitted payment stablecoin issuers are able to maintain them?

As set out in our response to Question 58 above, GDF strongly supports exempting reserve assets held at Federal Reserve Banks from concentration and diversification requirements. As the rationale for diversification requirements is to manage counterparty credit and operational risk, neither of which applies to Fed account balances given the Federal Reserve's status as the central bank and ultimate issuer of US dollar reserves. Rather than special measures, GDF recommends the opposite, namely that the final rule expressly confirm that Fed account balances are exempt from the concentration limits in §15.11(c), and that issuers holding a higher proportion of reserves at the Federal Reserve should be recognized as having a lower-risk reserve profile rather than being subject to additional requirements.

Question 84: For permitted payment stablecoin issuers that are subsidiaries of national banks or Federal savings associations, should the proposed rule contain special requirements to ensure 202 that reserve assets are appropriately maintained and controlled within the larger corporate structure? Or should the proposed rule require that a permitted payment stablecoin issuer have dedicated liquidity management personnel who have independent control over the liquidity management functions of the permitted payment stablecoin issuer (and its reserve assets)?

Overall, we are supportive of the principle that reserve assets of a permitted payment stablecoin issuer should be appropriately segregated and independently controlled within a broader corporate structure, consistent with the segregation and bankruptcy remoteness requirements in §15.11. However, we recommend that these objectives be achieved through the existing reserve asset and risk management standards in the proposed rule rather than through prescriptive organizational requirements such as mandatory dedicated liquidity management personnel. A principles-based expectation that issuers maintain clear accountability for reserve asset management, with documented governance arrangements and appropriate separation from the parent institution's proprietary activities, would achieve the same supervisory objectives while accommodating the diversity of organizational structures across bank-affiliated issuers. We would also note that any personnel or governance requirements should be proportionate to the size and complexity of the issuer and should not create disproportionate operational burdens for smaller bank subsidiaries entering the market for the first time.

Question 85: Should the liquidity management standards in proposed part 15 change depending on the standards for timely redemption? For example, should the rule require less stringent liquidity standards (for example, less readily available funds required) if permitted payment stablecoin issuers have a longer time to redeem tendered stablecoin?

We support the principle that liquidity management standards should be calibrated to an issuer's actual redemption obligations and agree that a longer permissible redemption timeframe would justify less stringent immediate liquidity requirements. Overall, we believe it is important that reserve and liquidity requirements should reflect how stablecoins actually function in practice, where conversion through intermediaries is the primary mechanism under normal conditions and direct redemption with the issuer is a less frequent occurrence. A framework that requires issuers to hold the same proportion of immediately available assets regardless of their redemption timeframe could risk imposing unnecessary liquidity immobilization on issuers with longer redemption windows, without commensurate financial stability benefit. GDF therefore supports a graduated approach under which liquidity standards are explicitly linked to redemption timeframes, with issuers subject to shorter redemption obligations required to maintain higher proportions of daily and weekly liquidity assets, consistent with the principles-based approach in Option A.

Question 86: Should the proposed rule include additional measures to address de-pegging in the secondary market? For example, should the proposed rule bar a permitted payment stablecoin issuer from issuing new payment stablecoins if a permitted payment stablecoin issuer's payment stablecoins trade in secondary markets at some price that is a set amount less than par (e.g., trading at or below $0.99, $0.80 or some other amount) for some sustained period of time (e.g., 24 hours)?

GDF welcomes the OCC's consideration of this question and supports the objective of maintaining market confidence in payment stablecoin pegs. However, we recommend against automatic issuance restrictions triggered by secondary market price movements and instead support a supervisory and disclosure-based approach to addressing de-pegging events.

Secondary market price movements in payment stablecoins often reflect temporary liquidity conditions, conversion dynamics, or market sentiment rather than a genuine shortfall in reserve assets. While we agree that the right to redeem at par anchors secondary market prices through arbitrage, and a fully backed issuer with robust monetization capability should be able to restore the peg through the redemption mechanism rather than through administrative issuance restrictions. An automatic bar on new issuance triggered by a secondary market price threshold could itself amplify market stress by signaling issuer distress, reducing liquidity, and creating a self-fulfilling dynamic that the restriction was intended to prevent.

Instead, GDF recommends that the OCC address de-pegging risk primarily through the reserve quality, monetization capability, and redemption standards already in the proposed rule, supported by enhanced disclosure requirements that give the OCC and the market timely visibility into reserve adequacy during a de-pegging event. Where supervisory concerns arise, we believe that the OCC's existing enforcement and

supervisory toolkit provides a more proportionate and targeted mechanism for intervention than an automatic rule-level issuance restriction.

Question 87: Should other liquidity rules be amended to accommodate the changes made by the proposed rule and the GENIUS Act? For example, should the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) rules be amended so that depository institutions are unable to include high quality liquid assets (HQLA) held by permitted payment stablecoin issuer subsidiaries as eligible HQLA in their own LCR and NSFR calculations? Similarly, should any outflows associated with a permitted payment stablecoin issuer subsidiary be excluded from a parent entity's LCR calculations? Should the stablecoin activities of permitted payment stablecoin subsidiaries be fully excluded from the LCR calculations of parent entities? Or should there be a limited outflow commensurate with the possibility that a parent entity may provide 203 support to a permitted payment stablecoin issuer subsidiary (for example, 1 percent, 5 percent, or 10 percent or outstanding issuance value)? Should the LCR rule be amended so that depository institutions holding uninsured deposits, particularly large balances, that represent reserve assets from permitted payment stablecoin issuers must assign a higher outflow to such deposits? Should the LCR rule be amended in light of any other implications of the Act, such as how it may apply to custodians under section 10 of the Act?

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Question 88: For purposes of incorporating "average tenor and geographic location of custody of each category of reserve instruments" in the composition report required under § 15.11(e), what, if any, specific content and structure should the OCC require? For example, should the report include information about deposit concentration and CUSIPs of securities? Should the required content include the composition of the reserve assets by type of assets and maturities and by counterparty issuer? For purposes of stating the geographic location of custody, should it suffice to state the country of custody? Or should more granular information be required? Should the OCC require that the composition report conform to the specified template? Are there specific methods for calculating tenor that the rule should require or explicitly permit? For example, should the rule define average tenor as the weighted average maturity or life of the asset? Should the monthly composition report (for both permitted payment stablecoin issuers and foreign payment stablecoin issuers) require the issuer to distinguish between insured and uninsured deposits?

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Question 89: Are there any additional steps that the OCC should take to encourage transparency while minimizing burden with respect to the reserve asset composition report?

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Question 90: What modifications to the reporting requirements, including the reserve asset composition report, would be appropriate for arrangements where one issuer issues multiple 204 stablecoins under different brands (e.g., white label arrangements), if that arrangement is permitted in the final rule? Are there any additional disclosures that the issuer should provide in order to ensure that the report is not misleading?

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Question 91: Should the report be required to list and name any depository institutions holding reserve assets? Should the report be required to list and name other eligible financial institutions holding reserve assets? Should the proposed rule include additional measures to ensure that reserve assets are appropriately traceable and linked to their corresponding stablecoin so as to avoid any difficulties in resolving claims to reserve assets?

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Question 92: For purposes of the composition report and reserves in tokenized form, should the permitted payment stablecoin issuer be required to disclose the location of custody of both the reserve instrument in tokenized form on a ledger and any real-world asset that the reserve in tokenized form represents? What related reporting requirements would be appropriate?

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Question 93: Should the values and information in the monthly report be required to be as of a particular date or time? Alternatively, should permitted payment stablecoin issuers publish on their websites a report showing the real-time values of the items required in the monthly composition report? Having the most recent information will make the more report more useful, and the OCC invites comment on how much real-time reporting is feasible and whether it may only be feasible for certain items. Should the monthly report be required to include both month end figures (for the previous month) and some information that can be presented in real-time (for example, the value of reserves or outstanding issuance value)? Are there potential challenges in providing assurance over real-time information presented in a monthly report?

GDF recommends that the OCC provide clear guidance on the expected timing relationship between reserve rebalancing and the monthly attestation process. In particular, GDF cautions that a framework under which monthly sweeping and reserve rebalancing occurs after the monthly attestation date creates a systematic distortion in reported reserve adequacy, as the attested position may not reflect the issuer's actual intraperiod reserve management practices. This creates an incentive for pro-forma compliance, where reserve positions are optimized at the point of attestation rather than maintained on a genuinely continuous basis, which is contrary to the underlying objective of the reporting framework.

GDF recommends that the OCC clarify that the monthly attestation should reflect a reserve position that is representative of the issuer's reserve management practices throughout the reporting period, rather than a position that has been specifically optimized for the attestation date. Where monthly sweeping is operationally necessary, the OCC should confirm the expected sequencing of rebalancing and attestation to avoid creating structural incentives for window-dressing that undermines the integrity of the reported figures.

On the question of real-time reporting, GDF acknowledges the OCC's interest in timely disclosure but cautions that requiring real-time publication of reserve composition data may introduce its own distortions, particularly where intraday positions reflect normal settlement flows rather than genuine changes in reserve adequacy. GDF recommends that the OCC adopt a monthly end-of-day reporting standard, consistent with our recommendation in response to Question 56, supplemented by a requirement that issuers maintain internal records sufficient to demonstrate that reported positions are representative of their reserve management practices throughout the reporting period rather than optimized solely for the attestation date. This approach would support meaningful transparency without creating incentives for intraperiod reserve management that serves reporting purposes rather than genuine prudential objectives.

Question 94: Should the OCC require permitted payment stablecoin issuers to publish the monthly certification on their websites, in addition to publishing the monthly reserve asset composition report? Should the OCC specify the content and form of the certification?

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Question 95: Should the monthly composition report be published at some point before the examination by a registered public accounting firm? For example, a permitted payment stablecoin issuer could publish the report five days after the end of the previous month and have the report examined 30 days after the end of the previous month and disclose any discrepancies uncovered by the examination. Would the benefits of more timely availability of these reports outweigh the potential costs associated with the risk of subsequent changes as a result of the examination that would be completed at a later date?

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Question 96: Is the requirement in proposed § 15.11(f) to have information disclosed in the previous month-end report examined by a registered public accounting firm sufficiently clear? If not, what additional clarity should the OCC provide with respect to the examination by a registered public accounting firm? Should the examination be performed at the "reasonable assurance" level or at some other standard? What additional standards, if any, should the OCC apply to ensure that the examination is accurate and appropriate? Should the engagement letter between the permitted payment stablecoin issuer and the registered public accounting firm require the registered public accounting firm to attest to whether the permitted payment stablecoin issuer is in compliance with the reserve asset requirements in § 15.11 (or a subset thereof), based on the information available to

the registered public accounting firm? What criteria should be used for the examination? Would assurances from the management of the permitted payment stablecoin issuer regarding the information in the issuer's weekly or monthly report be sufficient? If not, what other criteria should be included?

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Question 97: Should permitted payment stablecoin issuers be required to monitor the financial condition of depository institutions holding reserve assets? Should the financial condition of a depository institution holding an issuer's reserve assets be considered in whether issuers have met their deposit concentration obligations?

No, GDF does not support a mandatory requirement for permitted payment stablecoin issuers to monitor the financial condition of all depository institutions holding reserve assets. Depository institutions holding stablecoin reserves are themselves subject to robust prudential supervision by the OCC, FDIC, and Federal Reserve, and issuers should be able to rely on that supervisory oversight rather than being required to conduct duplicative monitoring of their counterparties' financial health. We believe that imposing such a requirement could also risk being particularly burdensome for issuers with diversified reserve portfolios spread across multiple institutions and would be disproportionate relative to the incremental risk management benefit it would deliver.

With regards to whether an institution's financial condition should affect an issuer's deposit concentration compliance, GDF recommends against this approach. Concentration limits should be assessed against objective, rule-based thresholds rather than against the real-time financial condition of individual counterparties, which would introduce significant operational complexity and create unpredictable compliance outcomes. Overall, we believe that the OCC's supervisory oversight of depository institutions holding reserve assets is the appropriate mechanism for addressing concerns about the financial condition of those institutions, and issuers should not be expected to second-guess that oversight as part of their own compliance obligations.

Question 98: Are there additional considerations that the OCC should take into account with respect to proposed § 15.11(g)(1), including whether it is appropriate that the permitted payment stablecoin issuer must not issue new stablecoins until it remediates a shortfall in reserve assets? For example, should there be some period of time (e.g., one or two days) where an issuer should be able to issue stablecoins despite a shortfall? Is the requirement in § 15.11(g)(3) set appropriately at 15 days or should the period be longer or shorter (e.g., 5 days, 10 days, 20 days, 25 days, 30 days)?

No comment.

Question 99: Should the proposed rule include restrictions on expenses that may be charged against reserve assets? Is it worth making clear that permitted payment stablecoin issuers may not charge general corporate expenses against reserve assets? While there may be a narrow set of expenses that

can be paid from reserve assets (for example, interest on a repurchase agreement or fees paid to an investment company holding reserve assets), the OCC expects that paying most other expenses from reserve assets would be inconsistent with the requirement for permitted payment stablecoin issuers to maintain identifiable reserve assets backing outstanding issuance value on a 1 to 1 basis.

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Redemption

Question 100: Has the OCC appropriately defined "timely" for purposes of redemption in proposed § 15.12(b)(1)(i) as not exceeding two business days? If not, what may be a more appropriate timeframe? For example, should the OCC consider other timeframes ranging from 207 one calendar day to seven calendar days timely? Should the OCC consider some timeframe longer than seven calendar days timely? Should the OCC define "timely" in a manner that scales with the liquidity of the underlying reserve assets or other factors? How should any definition of "timely" appropriately balance considerations of price stability and run risk?

GDF broadly supports the two business day redemption standard as a reasonable baseline for direct redemption by counterparties with an established relationship with the issuer and considers it consistent with the operational realities of reserve asset monetization for well-managed issuers holding primarily short-duration, highly liquid assets. However, GDF recommends that the OCC adopt a more nuanced approach to the definition of "timely" that reflects the distinction between business-as-usual redemption flows and stress scenarios.

As GDF has set out in previous regulatory engagements globally, we would note that conversion through intermediaries is the primary mechanism through which most holders access liquidity under normal market conditions, and direct redemption with the issuer is a less frequent occurrence that typically involves institutional counterparties with direct issuer relationships. The two business day standard is appropriate for these direct relationships. However, GDF recommends that the OCC confirm that the standard applies to direct redemption requests from established counterparties rather than implying a universal obligation to redeem any holder within two business days regardless of their relationship with the issuer, consistent with our recommendation in response to Question 108 below.

On whether "timely" should scale with reserve asset liquidity, GDF supports this principle in concept and considers it consistent with our position in response to Question 85 that liquidity management standards should be calibrated to actual redemption obligations. An issuer holding a higher proportion of less immediately liquid reserve assets, such as Treasury bills approaching their 93-day maturity limit, may require a modestly longer redemption window than one holding primarily demand deposits or Fed account balances. GDF recommends that the OCC confirm that the two business day standard represents a default expectation rather than an absolute maximum, with the OCC retaining supervisory discretion to approve longer timeframes for specific issuers where reserve composition and operational circumstances warrant.

With regards to the balance between price stability and run risk, GDF's position is that credible and clearly disclosed redemption rights at par are the primary mechanism for anchoring secondary market prices and preventing run dynamics, rather than short redemption windows per se. An overly rigid redemption timeframe that forces issuers to liquidate reserve assets rapidly under stress could itself amplify price instability, and the OCC should ensure that the redemption framework preserves sufficient operational flexibility for issuers to manage orderly liquidation of reserve assets without creating fire sale dynamics.

Question 101: Should the OCC include a safe harbor for failing to timely redeem a payment stablecoin in certain circumstances that may be outside of the permitted payment stablecoin issuer's control (e.g., disruptions to payment or banking systems for which the permitted payment stablecoin issuer is not responsible)?

Yes, we strongly support the inclusion of a safe harbor for redemption delays arising from circumstances outside a permitted payment stablecoin issuer's reasonable control, including disruptions to payment systems, banking infrastructure, or distributed ledger networks for which the issuer bears no responsibility. Such a safe harbor is a standard and well-established feature of payment system regulation and is essential to ensuring that issuers are not exposed to regulatory sanctions for events they could not reasonably have anticipated or prevented. The safe harbor should be clearly defined and limited to genuine force majeure circumstances, with appropriate requirements for issuers to notify the OCC and affected customers promptly, to document the nature and duration of the disruption, and to resume timely redemption as soon as reasonably practicable once the disruption is resolved.

Question 102: Should the OCC consider a longer redemption period "timely" in times of stress? If so, how long should the OCC extend the redemption period and what metrics and data should the OCC look to in order to determine whether an extension is warranted? For example, in the proposed rule, if a permitted payment stablecoin issuer faced redemption demands in excess of 10 percent of its outstanding issuance value over one day, the time period for timely redemption is generally extended to seven calendar days. Would other metrics be more appropriate? Should the OCC automatically extend the time period for timely redemption in the event of a spike in redemption requests? Should the issuer be required to notify the OCC if it exceeds the threshold for extending the redemption period, as proposed? Should the issuer be required to inform the public upon automatic extension of the time period? Should the extension of the time period to seven calendar days be such that notwithstanding a permitted payment stablecoin issuer being able to demonstrate that it can redeem requests in an orderly fashion and through a fair and transparent process, the permitted payment stablecoin issuer would not be able to redeem sooner than seven calendar days? Should the permitted payment stablecoin issuer be able to make the determination that it can redeem through a fair and transparent process on its own without OCC 208 approval or should the standard otherwise be changed? Should the extended redemption time period apply to outstanding and subsequent redemption requests as proposed?

Yes, overall GDF supports the principle of extended redemption timeframes in stress scenarios, consistent with our position that reserve and liquidity requirements should reflect how stablecoins function in practice and that stress scenarios warrant different treatment from business-as-usual conditions.

However, GDF wishes to flag a fundamental concern with the proposed tiered redemption framework that qualifies our support for the principle. The public disclosure of a stress extension is itself likely to be perceived by market participants as a signal of issuer distress, which could accelerate the very redemption flows the extension is intended to manage. A publicized 7-day extension trigger may therefore be pro-cyclical in practice, amplifying rather than containing stress dynamics at precisely the moment when market confidence is most fragile. GDF considers this a material design risk in the proposed framework that the OCC should address before finalization. More broadly, GDF questions whether a binary stress/non-stress redemption framework would achieve the OCC's regulatory objectives in practice. The proposed framework creates a cliff-edge between normal and stress conditions that may itself become a focal point for market concern, as participants monitor whether issuers are approaching the stress threshold. GDF would encourage the OCC to consider whether a single, consistently applied redemption standard, or alternatively a framework that leaves timeliness to issuer discretion subject to competitive market pressure and transparent disclosure obligations, would better achieve the OCC's objectives while avoiding the pro-cyclical dynamics that a publicized stress trigger could produce. Timeliness of redemption is an important vector for healthy competition between issuers, and a framework that allows market discipline to operate in this area may be more effective and more durable than one that relies on a regulatory stress trigger.

First, with respect to the seven calendar day extension period, GDF notes that if the OCC nevertheless proceeds with a tiered framework, the seven calendar day extension period represents a reasonable outer bound for stress scenarios, though GDF maintains its preference for a single standard or discretionary approach as set out above.

Next, with regards to notification and disclosure, GDF supports a requirement that issuers notify the OCC promptly upon exceeding the stress threshold, and that public disclosure of the extended redemption period be made simultaneously. Transparency with holders about changed redemption timeframes is essential to maintaining market confidence during stress events.

Finally, in considering whether issuers should be able to self-determine that they can redeem through a fair and transparent process without OCC approval, GDF supports allowing issuers to make this determination independently, subject to post-facto supervisory review, as requiring prior OCC approval could introduce delays that compound rather than alleviate stress. On whether the extended period should apply to both outstanding and subsequent requests, GDF supports this approach as it provides operational clarity and prevents queue-jumping during a stress event.

Question 103: Should the OCC define "redemption" for purposes of the proposed rule? If so, should it be defined broadly to mean that, for example, the permitted payment stablecoin issuer has initiated payment to the payment stablecoin holder in return for a tendered payment stablecoin?

Are there reasons to define "redemption" more narrowly? For example, should the OCC define redemption to mean that the permitted payment stablecoin issuer's payment to a stablecoin holder in exchange for stablecoin has settled?

Yes, GDF recommends that the OCC define "redemption" for purposes of the proposed rule, and supports a definition anchored to the initiation of payment by the issuer rather than final settlement. Defining redemption as the point at which the issuer has initiated payment in exchange for a tendered payment stablecoin is consistent with how redemption functions in practice and appropriately places the compliance obligation on the issuer's own actions rather than on downstream settlement processes that may be subject to delays outside the issuer's control. A settlement-based definition would expose issuers to compliance risk arising from factors beyond their reasonable control and would be inconsistent with the force majeure safe harbor we have recommended in response to Question 101.

Furthermore, we also recommend that the OCC's definition of redemption be clearly distinguished from conversion. Redemption involves a direct instruction to the issuer and the use of reserve assets to meet that obligation. Conversion is the exchange of a payment stablecoin for other forms of money via intermediaries and does not involve the issuer's reserve assets directly. This distinction matters for the calibration of redemption timeframe obligations and liquidity requirements, and clarity in the rule text on this point would reduce compliance uncertainty for issuers and their distribution partners.

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

In general, we support permitting redemption fees where they are proportionate, transparent, and directly reflective of the genuine costs incurred by the issuer in processing redemption requests. As we have set our responses to other jurisdictions on this topic, redemption fees can play a legitimate role in managing redemption flows, particularly in stress scenarios where large-volume requests impose material operational and liquidity costs on the issuer. A blanket prohibition on redemption fees, or caps set at levels that do not reflect genuine cost recovery, could risk undermining the commercial viability of direct redemption and could create perverse incentives for issuers to limit the accessibility of the redemption mechanism.

GDF recommends that the OCC require redemption fees to be clearly disclosed in advance, applied consistently and transparently, and limited to cost-reflective levels. Fees should not be structured in a way that effectively prevents holders from exercising their redemption rights, and we would support the OCC in retaining supervisory discretion to challenge fee structures that appear designed to deter redemption rather than to recover genuine costs. This principles-based approach would balance holder protection with issuer commercial viability without imposing prescriptive fee caps that may be poorly calibrated to the diversity of issuer business models.

Question 105: Should the OCC require permitted payment stablecoin issuers to deliver notice to current customers whenever they change fees, as proposed? Are there any specific methods or modes of communication that the OCC should require? If so, which modes of communication would be most effective and appropriate?

In general, we support the proposed requirement that permitted payment stablecoin issuers deliver advance notice to current customers of any changes to fees and consider this to be a proportionate and appropriate consumer protection measure. Consistent with our position in response to Question 4, however, notice obligations should attach to direct customers of the issuer rather than all downstream payment stablecoin holders, as requiring issuers to notify all secondary market holders of fee changes would be operationally unworkable given that issuers have no direct visibility into or contractual relationship with those holders. With regards to modes of communication, GDF recommends that the OCC adopt a flexible, outcomes-based standard requiring issuers to use communication methods that are reasonably likely to reach their direct customers in a timely manner, rather than prescribing specific channels that may quickly become outdated as communication practices evolve.

Question 106: Should the OCC include specific additional provisions regarding fee disclosures in the regulation text? If so, what additional requirements should be included? Should the OCC specify how section 5 of the FTC Act (15 U.S.C. 45) relating to unfair or deceptive acts or practices could apply to how the OCC evaluates the disclosures? To whom should issuers have a responsibility to deliver disclosures regarding changes in fees? Should it be all payment stablecoin holders (e.g., include retail holders who purchased from an exchange or secondary market), or should it be a narrower subset of holders (e.g., only holders who purchased directly from the payment stablecoin issuer)? Are there obstacles that would make it impractical to deliver change in fee notices to all payment stablecoin holders?

GDF supports clear and accessible fee disclosure requirements as a core component of the consumer protection framework for permitted payment stablecoin issuers and considers the proposed rule's existing disclosure provisions to be a sound baseline. We do not consider it necessary for the OCC to add further prescriptive fee disclosure requirements beyond those already proposed, provided the existing requirements are applied in a principles-based manner that accommodates the diversity of issuer business models and distribution arrangements.

With respect to the scope of the disclosure obligation, we would reiterate our recommendation in response to Questions 4 and 105 that fee change disclosures should be directed to direct customers of the issuer rather than all downstream payment stablecoin holders. As we have noted, issuers have no direct visibility into or contractual relationship with secondary market holders and requiring universal holder notification would be operationally unworkable in practice. The practical obstacles are significant, as payment stablecoins circulate freely across exchanges, wallets, and peer-to-peer transactions, making it impossible for issuers to identify and contact all holders reliably. Given this, we believe that the appropriate mechanism for ensuring that downstream holders are informed of fee changes is through disclosure

obligations placed on intermediaries and distribution partners in their own customer relationships, rather than through a direct issuer-to-holder notification requirement.

Question 107: The OCC has proposed several categories of disclosure in the proposed rule and requested comment as to whether it should propose additional categories. Taken collectively, would these disclosures provide potential customers of permitted payment stablecoin issuers with the appropriate information to inform their use of stablecoins? Are there any steps the OCC should take to ensure that potential customers are not confused or overwhelmed by these disclosures, especially in light of the relative unfamiliarity many potential customers may have with stablecoins? For example, should the OCC take any steps to unify required disclosures so that they are all provided to customers at a specific point during the relationship? If so, how should the OCC ensure that the most pertinent information is sufficiently emphasized? Is there anything else the OCC should do to ensure that potential customers are appropriately informed in regard to stablecoins issued by permitted payment stablecoin issuers? Are there any technical aspects of distributed ledgers or blockchain the OCC should take advantage of in relation to disclosures? For example, should certain disclosures be automated through smart contracts, such as with wrappers or other techniques?

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Question 108: Currently, many stablecoin issuers have issuance policies that may limit direct interaction with retail stablecoin holders. What are the potential impacts of these policies on retail stablecoin holders during a liquidity event? Should the OCC explicitly require permitted payment stablecoin issuers to redeem stablecoins presented by any stablecoin holder that has undergone appropriate on-boarding including customer screening, as proposed? Should the OCC require permitted payment stablecoin issuers to redeem payment stablecoins presented by a stablecoin holder that has an account relationship at a regulated financial institution? Is additional clarity needed as to for whom a permitted payment stablecoin issuer is obligated to redeem a permitted payment stablecoin? Should the OCC impose any additional rules addressing 210 minimum amounts for redemption? For example, should the OCC prohibit redemption minimums or set the minimum at some point other than one payment stablecoin?

In general, GDF supports the existing practice of many stablecoin issuers of limiting direct redemption to counterparties with an established onboarding relationship with the issuer and does not consider this to be harmful to retail holders in normal market conditions. As GDF has set out in its Global Stablecoin Regulatory Playbook, conversion through regulated intermediaries is the primary mechanism through which retail holders access liquidity under normal conditions, and direct redemption with the issuer is typically an institutional function. Requiring issuers to offer universal direct redemption to all retail holders regardless of whether they have a direct relationship with the issuer would impose significant operational, KYC, and AML compliance burdens that are disproportionate to the incremental consumer protection benefit.

With respect to the potential impact during liquidity events, GDF acknowledges that policies limiting direct retail interaction could create access challenges for holders who cannot easily convert through intermediaries during stress. However, we recommend that the OCC address this through requirements that issuers maintain sufficient direct redemption relationships with regulated intermediaries representing a meaningful portion of outstanding issuance, ensuring that retail holders can access liquidity through those intermediaries even in stress, rather than by requiring universal direct issuer-to-retail redemption.

Risk Management

Question 109: How should the OCC ensure that the standards in proposed § 15.13 are "principles-based" while providing sufficient clarity to permitted payment stablecoin issuers? Should the requirements in proposed § 15.13 be more high level or more detailed?

GDF strongly supports the principles-based approach to risk management standards in §15.13 and recommends that the OCC supplement the rule text with clear supervisory guidance on how it will assess compliance, rather than adding prescriptive requirements to the rule itself. This combination of high-level rule text and detailed guidance would provide issuers with the certainty they need to structure compliant frameworks while preserving the flexibility necessary to accommodate the diversity of business models across the market.

Question 110: Should certain of the risk management requirements only apply to large permitted payment stablecoin issuers? If so, which requirements should only apply to large permitted payment stablecoin issuers, and what would be the appropriate threshold for determining that a permitted payment stablecoin issuer is a large issuer (e.g., $10 billion in outstanding issuance value)?

As noted throughout our response, we support a tiered approach to risk management requirements that scales with issuer size and complexity, consistent with our proportionality principle throughout this response. More sophisticated risk management obligations, such as formal stress testing programs, dedicated risk management functions, and enhanced concentration monitoring, are most appropriate for larger and more systemically significant issuers, while smaller and newer entrants should be subject to lighter-touch requirements calibrated to their simpler operating models.

Question 111: Which standards from 12 U.S.C. 1831p-1 and 12 CFR part 30 appendices A and B should or should not apply to permitted payment stablecoin issuers? Are there other standards not in 12 U.S.C. 1831p-1 and 12 CFR part 30 appendices A and B that should apply to permitted payment stablecoin issuers?

No comment.

Question 112: Do the proposed risk management requirements appropriately provide for clear management roles, responsibilities, and accountability? If not, how should the proposed risk management requirements be revised?

Overall, we consider the proposed risk management requirements to appropriately address management roles and accountability and support the OCC's principles-based approach to governance which accommodates the diversity of organizational structures across permitted payment stablecoin issuers including those without traditional corporate governance frameworks. Any additional guidance on accountability expectations should remain flexible enough to apply proportionately across bank-affiliated and non-bank issuers alike.

Question 113: Should permitted payment stablecoin issuers be required to adopt and adhere to a risk appetite statement?

GDF supports a requirement for permitted payment stablecoin issuers to adopt and adhere to a risk appetite statement as a sound governance practice, proportionate to each issuer's size and complexity. This is consistent with established risk management standards across financial services and would support the OCC's supervisory oversight by providing a documented baseline against which issuer conduct can be assessed.

Question 114: Should permitted payment stablecoin issuers be required to regularly (e.g., on at least an annual basis), review their risk management framework and make any changes to appropriately align risk management activities with their business objectives and strategies?

Yes, we support a requirement for periodic review of risk management frameworks, with annual review representing a reasonable minimum standard. Given the pace of change in payment stablecoin markets and underlying technology, regular review ensures that risk management practices remain aligned with each issuer's evolving business model and risk profile, and supports the OCC's supervisory objectives without imposing disproportionate burden

Question 115: Should the proposed rule's requirements with respect to interest rate risk management be modified? If so, how? For example, should permitted payment stablecoin issuers have in place the appropriate policies, procedures and internal controls for their interest rate risk management programs? Should permitted payment stablecoin issuers develop appropriate measurement of interest rate risk as part of their interest rate risk management programs? Should permitted payment stablecoin issuers establish risk appetite and limit structure as part of interest rate risk management programs? Should permitted payment stablecoin issuers incorporate stress testing as part of their interest risk management programs? Should permitted payment stablecoin

issuers be allowed to use assets that do not qualify as reserve assets as part of an interest rate risk hedging program? If so, should there be restrictions on the types of instruments used for hedging purpose? Additionally, should the maturities of the hedging instruments be matched with the maturities of the qualified reserve assets?

Overall, GDF supports a principles-based approach to interest rate risk management that requires issuers to maintain appropriate policies, procedures, measurement frameworks, risk appetite limits, and stress testing capabilities proportionate to their reserve portfolio composition and business model. Given that eligible reserve assets are predominantly short-duration instruments with limited interest rate sensitivity, requirements should be calibrated accordingly and should not impose the same level of sophistication expected of traditional banking institutions with longer-duration balance sheets.

On the use of non-reserve assets for interest rate hedging, GDF supports permitting issuers to use appropriate hedging instruments where this genuinely reduces interest rate risk in the reserve portfolio, consistent with our position in response to Question 34 on FX risk management. Any such permission should be subject to a principles-based requirement that hedging activity is directed at genuine risk reduction rather than speculation, with instruments and maturities reasonably matched to the reserve assets being hedged. GDF recommends against mandating strict maturity matching as a rule-level requirement, as this would limit issuers' ability to use standard market hedging instruments efficiently

Question 116: What types of credit risk may permitted payment stablecoin issuers face, and how should permitted payment stablecoin issuers manage these risks? Should the proposed rule include specific requirements or standards related to management of credit risk? If so, what specific requirements or standards should the OCC consider including?

In general, the primary credit risks facing permitted payment stablecoin issuers arise from counterparty exposures in their reserve portfolios, including deposit concentration at individual depository institutions, bilateral repo and reverse repo counterparty risk, and custodian credit risk. However, these risks are already addressed through the reserve asset eligibility requirements in §15.11, the diversification and concentration standards in §15.11(c), and the monetization capability requirements in §15.11(a)(2). Given this, GDF does not consider it necessary for the OCC to add specific credit risk management requirements to §15.13 beyond cross-referencing these existing reserve framework obligations, provided the principles-based risk management standards in §15.13 are understood to encompass credit risk assessment as part of each issuer's broader risk management framework.

Question 117: Are the risk management requirements in proposed § 15.13(a)(8) necessary in light of the requirements in proposed § 15.11?

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Question 118: Are there areas that fall under the categories of technological, operational, compliance, or other risk management principles-based requirements and standards that should be

included in § 15.13 but were omitted from the proposed rule? Should proposed § 15.13(b) expressly address risks relating to smart contracts, encryption, tokenized assets, or any other technology or procedure? Are there standards which were included but are not applicable to 212 permitted payment stablecoin issuers? The proposed rule would require the appointment of a qualified Information Technology and Security Officer. Should the rule also require the appointment of a qualified Chief Risk Officer and Chief Audit Executive? The OCC is considering all possible combinations of the standards in proposed § 15.13 and invites comments on which combination of standards is appropriate as well as whether to remove any of the individual standards in proposed § 15.13.

GDF supports the principles-based approach in §15.13 and considers it broadly well-constructed for the payment stablecoin context. On whether §15.13(b) should expressly address risks relating to smart contracts, encryption, tokenized assets, and private key management, we believe that the OCC should confirm that these technology-specific risks are captured within the existing principles-based framework rather than adding prescriptive technology-specific requirements. Overall, we feel that a technology-neutral, outcomes-based approach to these risks, focused on core safeguarding outcomes such as access controls, separation of duties, resilience against single points of failure, and independent auditability, is more appropriate than prescribing specific technical standards that may quickly become outdated as cryptographic infrastructure continues to evolve.

With respect to the appointment of a Chief Risk Officer and Chief Audit Executive in addition to the proposed Information Technology and Security Officer, GDF supports a proportionate approach under which such appointments are required for larger and more complex issuers but remain discretionary for smaller entrants, consistent with our position in response to Question 110. Mandating these roles universally could risk imposing disproportionate governance costs on newer and smaller issuers.

Question 119: Should the OCC consider operational risk management principles-based requirements and standards to address the situation where an issuer needs to transfer payment stablecoins across different blockchains to satisfy a redemption demand? If so, what kind of requirements and standards should the OCC consider to address this situation? For example, should there be specific requirements relating to locking, minting, or burning payment stablecoins to facilitate a transfer?

Yes, we support the inclusion of principles-based operational risk management standards addressing cross-chain transfers as part of §15.13 and consider this an important area where regulatory clarity would benefit both issuers and supervisors. As payment stablecoins are increasingly deployed across multiple blockchain networks, the ability to transfer stablecoins across chains to satisfy redemption demands is becoming an operationally significant function that introduces specific risks around smart contract execution, bridge security, and reserve reconciliation.

However, consistent with our technology-neutral approach throughout this response, GDF recommends that any standards be outcomes-based rather than prescribing specific technical mechanisms such as

locking, minting, or burning. The appropriate outcome is that cross-chain transfers do not result in double-counting of outstanding issuance, do not breach the 1:1 reserve backing requirement at any point during the transfer process, and are subject to adequate controls to prevent errors or exploitation. How issuers achieve these outcomes through their specific technical architecture should remain a matter for each issuer's risk management framework, subject to OCC supervisory review where necessary.

Question 120: Should the OCC include consumer protection-related compliance risk management principles-based requirements and standards in § 15.13? If so, are there specific standards the OCC should institute?

Yes, GDF supports the inclusion of consumer protection-related compliance risk management standards in §15.13 on a principles-based basis, consistent with our broader support for the principles-based approach throughout this response. Issuers should be required to maintain appropriate frameworks for identifying, assessing, and managing compliance risks that could result in consumer harm, including risks arising from redemption failures, misleading disclosures, or inadequate customer communication. These requirements should be proportionate to the issuer's size, customer base, and business model, and should be consistent with the consumer protection standards applicable to comparable payment service providers to avoid creating an uneven regulatory playing field.

Question 121: Are there additional requirements concerning data privacy that it would be appropriate for the OCC to include in proposed part 15? Please describe in detail any such standards.

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Question 122: Are there particular measures necessary to manage compensation-related concerns at permitted payment stablecoin issuers, notably risks associated with compensating any party with stablecoins issued by a permitted payment stablecoin issuer?

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Question 123: Should the OCC include additional requirements concerning permitted payment stablecoin issuers' management of their ability to satisfy redemption requests and to monetize reserve assets, including by analyzing reasonably anticipated redemption scenarios?

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Question 124: Should the OCC include additional requirements relating to the maintenance of safeguards to prevent the payment of compensation, fees, and benefits that are excessive or that could lead to material financial loss to the permitted payment stablecoin issuer?

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Question 125: Are the proposed requirements with respect to insider and affiliate transactions appropriately tailored? If not, how should they be modified? Should the OCC consider more prescriptive quantitative or qualitative requirements related to insider and affiliate transactions?

Overall, GDF considers the proposed requirements with respect to insider and affiliate transactions to be broadly appropriate and well-calibrated and supports the principles-based approach adopted. We do not consider more prescriptive quantitative requirements to be necessary at this stage, as the existing framework provides the OCC with sufficient supervisory discretion to address concerns on a case-by-case basis. Any additional requirements should remain proportionate to the size and complexity of the issuer and consistent with the standards applicable to comparable financial institutions.

Question 126: Should the OCC include any requirements relating to the concentration of management at unaffiliated permitted payment stablecoin issuers? For example, should the OCC include limits on the number of unaffiliated permitted payment stablecoin issuers for which an individual may serve as an executive officer or senior management official? Should any such limits be tied to the outstanding issuance value of the permitted payment stablecoin issuer?

No comment.

Question 127: Should the OCC require permitted payment stablecoin issuers to acquire insurance against certain risks? For example, should permitted payment stablecoin issuers be required to hold cyber insurance policies? If so, what should be the minimum coverage requirements? Should the OCC require some minimum level of property and casualty insurance? If so, what should the minimum level of coverage be? What disclosures, if any, would it be appropriate for a permitted payment stablecoin issuer to make with respect to its insurance coverage and to whom should those disclosures be directed (e.g., investors or payment stablecoin holders)? What implications with respect to other applicable disclosure regimes should the OCC consider when deciding whether to impose any disclosure requirements with respect to insurance coverage? To 214 what extent are the terms and conditions for property and casualty (or other types of) insurance coverage for permitted payment stablecoin issuers becoming more standardized? What steps, if any, should the OCC take to encourage standardization to increase certainty and consistency with respect to insurance coverage across jurisdictions?

GDF acknowledges the OCC's interest in this area but recommends against imposing mandatory insurance requirements at this stage. The digital asset insurance market remains at an early stage of development, with limited standardization of policy terms, coverage scope, and pricing across providers. Imposing prescriptive insurance requirements before the market has matured sufficiently could create

compliance barriers for issuers, particularly smaller and newer entrants, without delivering a reliable or consistent level of risk protection.

GDF recommends that the OCC monitor the development of the digital asset insurance market and engage with industry and insurers as it evolves, with a view to revisiting whether insurance requirements are appropriate at a later stage. In the interim, issuers should be expected to assess insurance as part of their broader operational risk management frameworks on a principles-based basis.

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

Yes, GDF supports a deemed compliance mechanism for permitted payment stablecoin issuers that are subsidiaries of insured depository institutions, where the parent institution's risk management framework already addresses the risks contemplated in §15.13 in a manner that is at least equivalent in outcomes. This approach would reduce unnecessary duplication and recognize that bank subsidiaries operating within a robust group-level risk management framework supervised by the OCC are unlikely to present materially different risks than standalone issuers subject to the same requirements directly.

However, GDF recommends that any deemed compliance mechanism be subject to OCC supervisory confirmation rather than automatic, and that the OCC retain discretion to require additional or standalone risk management arrangements where a subsidiary's stablecoin activities present risks that are not adequately addressed by the parent's existing framework. This would ensure a consistent standard of risk management across all issuers while avoiding disproportionate compliance burden for well-governed bank subsidiaries and would support the level playing field between bank-affiliated and non-bank issuers that GDF has advocated for throughout this response.

Audits, Reports, and Supervision

Question 129: Should the OCC alter the proposed reporting or examination requirements? If so, how? Is there additional information that should be included in the required reports or information that is not included in the proposed rule? Is there information included in the required reports or information that should not be included in the proposed rule?

Overall, GDF considers the proposed reporting and examination framework to be broadly well-designed and welcomes the OCC's efforts to calibrate supervisory requirements to the specific characteristics of payment stablecoin issuers. To support implementation of these requirements we would offer two targeted recommendations. First, we would suggest that the OCC should work to actively minimize duplication across the weekly, monthly, and quarterly reporting requirements, ensuring that data collected through one reporting cycle is not unnecessarily replicated in another, and that issuers subject to reporting requirements under other regulatory frameworks globally are not required to submit materially

overlapping information to multiple regulators if these are deemed to be reciprocal jurisdictions meeting comparable regulatory outcomes to the US. Second, we believe that reporting requirements should be proportionate to issuer size and complexity, with smaller and newer issuers subject to lighter-touch reporting obligations calibrated to their simpler operating models, consistent with the tiered approach GDF has advocated for throughout this response. GDF would also encourage interagency coordination on reporting templates to ensure consistency and reduce compliance costs across the federal payment stablecoin regulatory framework.

GDF would additionally encourage the OCC to provide supervisory guidance or examination manuals specific to payment stablecoin issuers over time, to promote transparency, consistency, and predictability in examination practices as the regime matures.

Question 130: Proposed § 15.14(d) sets forth criteria under which a permitted payment stablecoin issuer could qualify for an extended examination cycle. Are those criteria properly calibrated? Is the timeframe for an extended examination cycle appropriate? Should the OCC consider decreasing or increasing the range for an extended examination cycle? Should the OCC consider both monthly trading volume and outstanding issuance value when determining whether to employ an extended examination cycle? Are there other factors that should be included, such as redemption rates, asset composition, or creditworthiness? If so, how should the OCC consider those factors?

GDF supports the OCC's proposal to permit extended examination cycles for lower-risk permitted payment stablecoin issuers, subject to appropriately calibrated eligibility criteria. A risk-based approach to examination frequency is consistent with prudent supervisory practice and would help ensure supervisory resources are focused where risks are greatest.

While the proposed thresholds of $1 billion in outstanding issuance value and $25 billion in monthly trading volume may provide a useful initial proxy for scale, GDF does not believe examination-cycle eligibility should be determined solely by reference to quantitative size metrics. Outstanding issuance and trading volume may not, in isolation, provide a complete picture of supervisory risk, particularly where issuers differ materially in reserve structure, redemption profile, operational complexity, distribution model, or interconnectedness.

Accordingly, GDF recommends that the OCC adopt a broader risk-based assessment framework under which eligibility for an extended examination cycle may also take into account relevant qualitative and quantitative supervisory indicators, including:

- redemption volatility and concentration of redemption activity
- reserve asset composition and liquidity profile
- operational and governance maturity
- prior examination findings and compliance history
- complexity of group structure and outsourcing arrangements

- degree of market interconnectedness and systemic relevance

GDF further recommends that the OCC retain supervisory discretion to shorten an issuer's examination cycle where emerging risks, market events, or supervisory concerns warrant more frequent review, regardless of whether the issuer otherwise meets the quantitative thresholds.

Overall, GDF believes the proposed timeframe for an extended examination cycle is appropriate provided that the OCC applies these criteria flexibly and on a risk-sensitive basis rather than as a mechanical threshold test.

Question 131: In proposed § 15.14(h), the OCC proposes to collect confidential weekly data from permitted payment stablecoin issuers to minimize the examination burden on permitted payment stablecoin issuers. The weekly data would include information relating to: (1) outstanding issuance value, (2) reserve assets, (3) redemptions, (4) minting and issuance, (5) exchanges on which the stablecoin trades, (6) the 100 persons that hold or trade the stablecoin the most, (7) data concerning securities held as reserve assets (including information regarding reserve assets' CUSIPs, yield, weighted average maturity and weighted average life), and (8) information regarding repurchase agreements and reverse repurchase agreements (including information regarding the counterparty, clearing agency, collateral, and interest). Has the OCC identified in the proposed form the appropriate data fields and categories of information to collect from a permitted payment stablecoin issuer on a weekly basis to understand the operations and risks unique to its business model? If not, are there data fields that the OCC should not request on a weekly basis and are there any additional data fields beyond those proposed that the OCC should collect on a weekly basis from a permitted payment stablecoin issuer to better assist in understanding the operations and risks unique to its business model? Should the OCC collect secondary market transaction data (e.g., trading price and volume)? Or should the OCC only collect primary market transaction data? Would it be too burdensome for permitted payment stablecoin issuers to provide the proposed weekly data to the OCC electronically on a daily or real-time basis? Should the OCC collect additional data regarding the custody of reserve assets (or other covered assets)? Should the data collected be made public? If, so, on what timeframe should the data be made public? To what extent, if any, would a permitted payment stablecoin issuer be anticipated to track the information required under the form referred to in proposed § 15.14(h) on a regular or real-time basis for its own use in the absence of 216 a requirement to report it? To what extent would the proposed weekly and quarterly reporting requirements tend to reduce the frequency at which the OCC would need to examine permitted payment stablecoin issuers? Are there other reporting requirements that the OCC could request that might reduce the frequency at which the OCC would need to examine permitted payment stablecoin issuers?

GDF supports the OCC's objective of collecting sufficiently granular supervisory data to understand the operational, liquidity, and prudential risks associated with permitted payment stablecoin issuers, and agrees that periodic off-site reporting may reduce the need for more intrusive or frequent on-site

examination activity. Overall, the proposed weekly reporting framework appears broadly workable and captures many of the data fields relevant to prudent supervision of payment stablecoin issuers.

That said, GDF recommends that the OCC calibrate the final reporting framework to ensure that reporting obligations remain proportionate, operationally feasible, and focused on data that is materially relevant to supervisory risk assessment.

First, while most of the proposed data categories appear appropriate, GDF would encourage the OCC to reconsider the requirement to report the 100 persons that hold or trade the stablecoin the most in its current form. This requirement may raise significant legal, operational, privacy, and commercial sensitivity concerns, particularly where issuers do not maintain direct relationships with all downstream holders or where trading activity occurs through intermediated or omnibus account structures. In such cases, requiring issuer-level reporting of individual holder or trader identities may not produce reliable or actionable supervisory data. To the extent concentration or redemption risk is the relevant supervisory concern, GDF suggests the OCC consider whether aggregated concentration metrics, wallet concentration bands, or intermediary-level exposure data may provide a more proportionate and operationally practicable alternative.

Second, GDF does not believe daily or real-time reporting of the proposed weekly data set would be proportionate or operationally necessary in ordinary circumstances. While many issuers monitor elements of this data internally on a near-real-time basis for treasury, risk management, or operational purposes, translating such data into supervisory reporting-ready form often requires reconciliation, validation, and normalization processes that would make real-time external reporting unnecessarily burdensome and potentially misleading where intraday fluctuations do not reflect genuine prudential concerns. Weekly reporting should therefore remain the default cadence absent institution-specific supervisory concerns.

Third, with respect to transaction data, GDF believes the OCC should focus principally on primary market issuance and redemption activity, reserve composition, and material secondary market indicators relevant to prudential supervision. Comprehensive secondary market transaction reporting may be difficult for issuers to provide accurately where trading occurs across multiple independent venues and intermediaries globally, particularly where the issuer lacks direct visibility into all downstream market activity. If the OCC seeks secondary market data, it should limit such requirements to high-level aggregated metrics reasonably available to the issuer.

Finally, GDF does not support public disclosure of confidential weekly supervisory data. While transparency regarding reserve composition and issuer financial condition is important, publication of highly granular supervisory data on a weekly basis could create market distortions, reveal commercially sensitive information, and risk encouraging short-term market reactions to normal operational fluctuations that do not reflect underlying prudential concerns. Public disclosure obligations should therefore remain limited to the separate transparency and attestation disclosures otherwise required under the framework.

Overall, GDF considers that appropriately calibrated weekly and quarterly reporting should meaningfully support off-site supervision and may reduce the frequency and intensity of examinations over time,

provided the OCC retains flexibility to request additional information on an ad hoc basis where warranted by issuer-specific risks or market events.

Question 132: In proposed § 15.14(i), the OCC requires all permitted payment stablecoin issuers to submit a quarterly report of financial condition. Should the OCC tailor this requirement for permitted payment stablecoin issuers under a certain threshold? If so, what should the threshold be? For permitted payment stablecoin issuers under the threshold, should the OCC require less frequent reporting (e.g., every six months) and/or change the data issuers under the threshold are required to submit (e.g., require less data)? If a permitted payment stablecoin issuer, or its insured depository institution parent, currently files a Call Report, should it also be required to submit the quarterly report required under proposed § 15.14(i)? If so, why? If not, why not? If a permitted payment stablecoin issuer, or its insured depository institution parent, currently files a Call Report, should the quarterly report under proposed § 15.14(i) be attached to the Call Report as an appendix as opposed to a separate filing? If so, why? If not, why not? Are there changes that should be made to the Call Report to ensure appropriate reporting while limiting duplicative reporting requirements? Should reports required under proposed § 15.14(i) and proposed part 15 more generally be coordinated and developed on an interagency basis across the federal payment stablecoin regulators?

Yes, GDF supports size-based tailoring of the quarterly financial condition report, consistent with the proportionality principle we have advocated for throughout this response. We believe that smaller and newer issuers with simpler operating models and lower outstanding issuance should be subject to lighter-touch reporting requirements, whether through reduced reporting frequency, a simplified data set, or both. Furthermore, we would support the OCC confirming in guidance that the quarterly report is calibrated to capture information that is material to the OCC's supervisory assessment of each issuer's specific risk profile, rather than applying a uniform template regardless of issuer complexity.

With respect to the relationship with the Call Report, GDF supports avoiding duplicative reporting requirements for bank subsidiary issuers that already file Call Reports covering materially the same information. Where the quarterly report under §15.14(i) would replicate data already submitted through the Call Report, the OCC should allow issuers to satisfy the requirement by attaching a stablecoin-specific supplement to the Call Report rather than filing a separate document. This would reduce compliance costs without any loss of supervisory information.

Finally, when considering interagency coordination, GDF strongly supports the development of reporting templates on an interagency basis across the federal payment stablecoin regulators and would also encourage the OCC to consider coordination with international supervisors for foreign issuers registered with the OCC, consistent with our recommendation in response to Question 129 on avoiding duplicative reporting across reciprocal jurisdictions.

Question 133: In addition to requiring a monthly report of a permitted payment stablecoin issuer's reserve asset composition, should the OCC also require a permitted payment stablecoin 217 issuer

to publish a report of the reserve asset composition as of a day randomly selected each month by the permitted payment stablecoin issuer's registered public accounting firm?

No comment.

Question 134: How can the OCC best minimize duplication of reports, including for permitted payment stablecoin issuers subject to the audit requirement contained in proposed § 15.14(l)? Should the OCC include in the rule text its interpretation of "applicable auditing standards" under section 4(a)(10)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(10)(A)(iii)) to mean those that would apply if the permitted payment stablecoin issuer were 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, 78o(d))? Should the OCC also include in the rule text that the standards would be enforced by the OCC for permitted payment stablecoin issuers subject to the audit requirement under section 4(a)(10)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(10)(A)(iii))? Should the OCC also include in the rule text that it may at any time request that a registered public accounting firm provide to the OCC certain additional information or documents relating to information provided by the permitted payment stablecoin issuer and that the registered public accounting firm must agree to provide copies of any working papers, policies, and procedures relating to services in connection with the audit required under section 4(a)(10)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(10)(A)(iii))?

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Question 135: Should the OCC apply the requirement in section 6(a)(2)(D) of the GENIUS Act (12 U.S.C. 5905(a)(2)(D)) to all permitted payment stablecoin issuers, rather than only to Federal qualified nonbank payment stablecoin issuers, as proposed?

No comment.

Question 136: The OCC is proposing that Federal qualified payment stablecoin issuers report to the OCC the total aggregate value of their assets under custody (as part of the quarterly report described in § 15.14(i) of the proposal). For purposes of this calculation, the OCC is proposing 218 that the private keys used to issue payment stablecoins, as discussed in Section 10 of the GENIUS Act, should be valued at a nominal $1.00 valuation. This reporting convention would prevent double-counting of the private key and the associated payment stablecoin reserves. What are the advantages and disadvantages of this approach? Are there specific risks or information gaps related to the custody of these private keys that would not be identified by this reporting convention, including for example, where the covered custodian of the private key used to issue payment stablecoins is not also the custodian of all of the associate payment stablecoin reserves? Are there alternative methods to avoid double-counting? For example, what are the advantages and disadvantages of valuing the private key used to issue a payment stablecoin at the par-value of issuance of the associated payment stablecoin less the fair market value of any associated payment stablecoin reserves that the covered custodian holds under custody?

No comment.

Question 137: Is the change in control requirement in proposed § 15.14(m) appropriately calibrated for permitted payment stablecoin issuers? If not, what changes should the OCC incorporate into this provision? Are there elements of 12 CFR 5.50 that should or should not be incorporated into § 15.14(m)? Should the regulation explicitly provide the consequences for failing to meet the requirements of proposed § 15.14(m)? For example, should the OCC include a paragraph that would provide that, if a person acquires control, as the term is used at 12 CFR 5.50, of a permitted payment stablecoin issuer without following the requirements of 12 CFR 5.50 as if the permitted payment stablecoin issuer were a national bank before the time for the OCC's review as provided in 12 CFR 5.50 has expired or after the OCC has disapproved the acquisition of control, the permitted payment stablecoin issuer: (i) must, within 15 calendar days of the acquisition of control, provide all information required under 12 CFR 5.50; and (ii) may be 219 subject to supervisory or enforcement actions relating to any concerns arising from the change in control, consistent with applicable law?

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State Issuers

Question 138: For purposes of determining whether a State qualified payment stablecoin issuer has crossed the $10 billion outstanding issuance value threshold, should the $10 billion threshold be based on a point of time or using a rolling average over some period of time (e.g. the previous four calendar quarters)? Should the $10 billion threshold take into account the outstanding issuance value of any payment stablecoins issued by non-consolidated affiliates of the State qualified payment stablecoin issuer?

No comment.

Question 139: Under section 4(d) of the GENIUS Act (12 U.S.C. 5903(d)), a State qualified payment stablecoin issuer with total outstanding issuance in excess of $10 billion must transition to the Federal regulatory framework within 360 days or else cease issuing new payment stablecoins until its total outstanding issuance is below the $10 billion threshold. Should the OCC adopt a regulation that would provide a mechanism for nonbank State qualified payment stablecoin issuers that have transitioned to the Federal regulatory framework to transition back to the applicable State regulatory framework if the issuer's outstanding issuance value has decreased below $10 billion? If so, should the mechanism explicitly include factors designed to prevent evasion of the enforcement of the GENIUS Act? For example, what factors should the OCC consider to determine whether a State qualified payment stablecoin issuer intentionally reduced its outstanding issuance value to avoid imminent and adverse OCC enforcement or supervisory actions (e.g., the timing or value of the issuer's decrease in its outstanding issuance)? Should the OCC use its waiver authority under

section 4(d)(3) of the GENIUS Act to permit 220 issuers that have transitioned to the Federal regulatory framework to transition back to the applicable State regulatory framework?

No comment.

Question 140: Are there any technical, operational, or other factors that would prevent a State qualified payment stablecoin issuer from providing written notification within five calendar days as proposed under § 15.15(b)? Should the OCC consider alternate timeframes, including shorter timeframes (e.g., within one day) or longer timeframes (e.g., within ten days) for providing written notification?

No comment.

Question 141: Should the OCC require that the State qualified payment stablecoin issuer provide additional information in its notice under § 15.15(b)? Should the OCC require a State qualified payment stablecoin issuer to provide specific reports or information in connection with a waiver request, such as the examples listed in the supplementary information? If so, please provide examples.

No comment.

Question 142: The OCC is considering whether to implement standards when evaluating the past operations and exam history of a nonbank State qualified payment stablecoin issuer. For example, the OCC may require that, for an issuer to be eligible for a waiver, it must not have been cited for violations or have outstanding supervisory concerns relating to fraud, cybersecurity, technology infrastructure, and operational disruptions within the past examination cycle. Should the OCC consider standards related to an issuer's supervisory ratings?

No comment.

Question 143: Should waivers from OCC supervision for State qualified payment stablecoin issuers that are nonbank entities be subject to renewal over some time period (e.g., one or five years) to ensure that the State qualified payment issuer continues to meet the criteria for the waiver?

No comment.

Question 144: Should the OCC reserve the right to discontinue a waiver? If so, is 100 days a reasonable period to provide notice to the State qualified payment stablecoin issuer that is a nonbank entity?

No comment.

Question 145: Is the requirement to submit an analysis of capital in proposed § 15.15(b)(3) appropriately calibrated? Should the State qualified payment stablecoin issuer that is a nonbank entity be required to submit the report sooner after reaching $10 billion in outstanding issuance value (e.g., 180 days, 200 days, 250 days)?

No comment.

Question 146: Is the timeframe for the initial OCC examination after transition to the Federal regulatory framework in proposed § 15.15(c) appropriate? Should the timeframe be shorter (e.g., three months, four months) or longer (e.g., nine months, 12 months)?

No comment.

Unusual and Exigent Circumstances

Question 147: Are there additional criteria or information sources the OCC should consider when determining whether unusual and exigent circumstances exist? For example, the Act does not mandate information sharing agreements between the OCC and State payment stablecoin regulators, and the OCC may have limited visibility into the activities and conditions of State qualified payment stablecoin issuers. Should the OCC consider, for example, whether a State payment stablecoin regulator or a State qualified payment stablecoin issuer has made a request for the OCC to exercise its unusual and exigent circumstances authority? Should the OCC consider significant price fluctuations in the secondary market for the State qualified payment stablecoin issuer's payment stablecoin? Should the OCC consider whether the State qualified payment stablecoin issuer has been, or will imminently be, unable to timely redeem its payment stablecoin? Should the OCC consider whether the State qualified payment stablecoin issuer has 222 incurred significant unanticipated losses? Should the OCC consider whether the State qualified payment stablecoin issuer has deployed nonstandard liquidity management tools?

GDF supports the OCC adopting a broad and flexible set of criteria for assessing unusual and exigent circumstances, including the factors referenced in the question such as secondary market price fluctuations, inability to timely redeem, significant unanticipated losses, and deployment of nonstandard liquidity management tools. We also recommend that the OCC consider establishing information sharing arrangements with home jurisdiction regulators for foreign payment stablecoin issuers registered with the OCC, to ensure the OCC has timely visibility into developments that may warrant intervention, consistent with our broader advocacy for supervisory cooperation across comparable jurisdictions.

Question 148: Should the OCC make public when it determines that unusual and exigent circumstances exist? If so, what information should the OCC include (or not include) in any publication regarding unusual and exigent circumstances?

GDF supports transparency in principle but recommends that the OCC exercise careful judgment on the timing and content of any public disclosure of unusual and exigent circumstances. Premature disclosure could itself amplify market stress and accelerate the very dynamics the OCC is seeking to address. GDF recommends that the OCC retain discretion on timing and limit initial public disclosures to factual information about the nature of the circumstances and the steps being taken, without disclosing information that could compromise the effectiveness of supervisory intervention or unnecessarily alarm market participants.

Custody

Question 149: Are the proposed definitions for terms relevant to this section appropriate and sufficiently clear? Would it be helpful to define any other terms?

Overall, GDF considers the proposed definitions to be broadly appropriate and welcomes the OCC's efforts to provide definitional clarity for this section. We offer two targeted recommendations consistent with our responses to the questions set out in the section on definitions.

First, we recommend that the OCC confirm that all custody-related definitions are intended to be technology-neutral and outcomes-based, assessed against the robustness of the overall safeguarding outcome rather than any specific technical form of key custody. This would ensure that the framework accommodates the full range of institutional custody architectures in use today and remains durable as cryptographic infrastructure continues to evolve.

Second, we recommend that the OCC confirm that 'control' of a covered asset for custody purposes is defined by reference to the practical ability to effect a transfer of that asset, rather than by reference to any specific technical mechanism or form of key possession. This outcomes-based framing would ensure that the framework captures firms that genuinely perform custodial functions while accommodating the full range of technically equivalent arrangements, including cryptographically distributed models where no single party holds a complete private key.

Question 150: The OCC has interpreted "cash and other property" to refer to the cash and other property that a covered custodian may receive as custodial property of its customers, but only to the extent such cash or other property is received in connection with the provision of custodial services for the Act's three core custody assets. Is this the appropriate approach? Should the OCC take a broader view of what constitutes "cash and other property"? What are the costs and benefits of such an approach? Does the proposal appropriately address the different requirements for noncash covered assets and "cash on deposit" covered assets held at an insured depository institution?

No comment.

Question 151: The OCC is proposing to define covered assets in such a way that the requirements of sections 10(a), (b), and (c) of the Act (12 U.S.C. 5909(a)-(c)) would apply to all covered assets and is proposing to apply the substantive requirements of those sections as a connected set of requirements. However, sections 10(a), (b), and (c) of the Act use slightly different wording when describing the assets to which each subsection applies and some of the 223 substantive requirements that apply. 129 The OCC believes that the provisions should be read together to cover the same set of assets and to provide a cogent and harmonized set of requirements for covered custodians. 130 Instead of the proposed approach, should the OCC use the precise statutory language regarding the scope of assets covered separately in paragraphs (a), (b), and (c)? What are the advantages or disadvantages of doing so?

No comment.

Question 152: Proposed subpart C would implement section 10 of the GENIUS Act (12 U.S.C. 5909) with respect to entities that are regulated by the OCC. Are there issues that the OCC should bear in mind if an OCC-regulated entity holds reserve assets on behalf of a stablecoin issuer that is not regulated by the OCC and may not be familiar with the OCC's implementation of section 10 of the GENIUS Act?

GDF recommends that the OCC publish clear and accessible guidance on the obligations that apply to OCC-regulated custodians holding reserve assets on behalf of non-OCC-regulated issuers, including foreign payment stablecoin issuers registered with the OCC and state-qualified issuers. Where the issuer is regulated by a comparable home jurisdiction regulator or one where reciprocal arrangements have been established, the OCC should consider developing a framework for supervisory cooperation and information sharing that allows custodians to rely on home jurisdiction regulatory compliance as evidence of meeting equivalent outcomes, consistent with our recommendation on functional equivalence throughout this response. This would reduce the risk of duplicative or conflicting obligations falling on custodians operating across multiple regulatory perimeters and would support the accessibility of the OCC custody framework for the full range of issuers it is intended to serve. It could also be supplemented by additional information on a case-by-case basis where the OCC deems it necessary to have more supervisory oversight.

Question 153: The OCC is proposing applying these principles-based requirements on covered custodians subject to OCC supervision, rather than requiring OCC-supervised institutions that seek to custody a covered asset to only custody such assets with a custodian that can demonstrate it complies with certain minimum requirements. What are the costs and benefits of this approach, including with regards to administrability, jurisdiction, and the promotion of fair competition?

We are very supportive of the OCC's proposed approach of applying principles-based requirements directly to OCC-supervised covered custodians, rather than requiring custodians to only hold covered assets with sub-custodians that can demonstrate compliance with specific minimum requirements. This approach is more proportionate, operationally workable, and consistent with established practice in

comparable financial services custody frameworks, where the regulated firm retains accountability for compliance with safeguarding obligations regardless of its use of sub-custodians or third-party providers. Placing the compliance obligation on the OCC-supervised custodian also avoids the jurisdictional complexity that could arise from requiring compliance assessments of sub-custodians that may be located outside the OCC's supervisory perimeter and supports fair competition by avoiding the concentration of custody activity in a small number of pre-approved providers. Further to these points, we believe that the OCC should ensure that its principles-based framework includes clear expectations on due diligence, oversight, and contractual accountability for sub-custodian arrangements, consistent with our positions in response to Questions 149 and 152 above.

Question 154: The OCC proposes principles-based requirements in line with sound custodial management practices that the agency understands are industry standard. Does the proposal accurately capture sound custodial management practices that are industry standard?

Yes, GDF considers the proposed principles-based requirements to broadly reflect sound custodial management practices as they have developed across the digital asset industry. We would highlight one area where the proposal would benefit from additional clarity. We believe that the framework should expressly confirm that industry-standard custody practices include cryptographically distributed key management models such as MPC and threshold signature schemes, which are increasingly the institutional standard for secure custody of digital assets. As we set out in our response to Question 149, the framework should assess compliance against safeguarding outcomes rather than a narrowly defined group of technical architecture, ensuring that firms employing these modern approaches are not inadvertently disadvantaged relative to those using more traditional key custody models.

Question 155: Does the proposal provide enough detail regarding what steps are appropriate for a covered custodian to protect the covered assets of covered customers from the claims of 129 For example, Section 10(a) of the Act refers to "the payment stablecoin reserve, the payment stablecoins used as collateral, or the private keys." 12 U.S.C. 5909(a). Section 10(b) refers to "the payment stablecoins, private keys, cash, and other property." 12 U.S.C. 5909(b). Section 10(c) refers to "[p]ayment stablecoin reserves, payment stablecoins, cash, and other property." 12 U.S.C. 5909(c). 130 For example, sections 10(b) and (c) of the Act refer to section 10(a), suggesting that the provisions are meant to be read together to cover the same set of assets. 224 creditors of the covered custodian? Would more prescriptive or specific requirements be appropriate to implement the requirements of the Act? For example, should the OCC require a covered custodian to take appropriate steps to protect the covered assets of covered customers from the claims of creditors of the covered custodian, including through adopting, implementing, and maintaining written policies, procedures, and internal controls adequate for (A) the safekeeping of covered assets of covered customers; (B) the documentation of covered customer relationships through one or more written custody agreements; (C) recording and verifying the covered assets of covered customers; and (D) the conducting of due diligence in the selection of and periodic monitoring of sub-custodians, in each case commensurate with the covered custodian's size, complexity, and risk profile and with the nature of the applicable covered assets in its covered customer relationships? What are the costs

and benefits of prescriptive versus a principles-based approach? How would either approach compare or contrast with the noncovered asset custodial business of covered custodians and what efficiencies or challenges might arise from each approach?

In general, GDF supports the principles-based approach to creditor protection requirements and considers this preferable to a prescriptive enumerated framework, consistent with our positions throughout this response. The four elements referenced in the question, covering safekeeping policies, custody agreement documentation, recordkeeping and verification, and sub-custodian due diligence, are broadly consistent with sound industry practice and GDF would not object to their inclusion as a non-exhaustive baseline, provided they are framed as outcomes-based expectations rather than prescriptive checklists. We believe that the key advantage of a principles-based approach in this context is that it accommodates the diversity of custody models across the market, including cryptographically distributed arrangements, omnibus structures, and multi-jurisdictional operating models, without requiring custodians to maintain separate compliance frameworks for covered and non-covered assets where a unified approach would achieve equivalent protection outcomes.

Question 156: Is it sufficiently clear in a custodial relationship when and for what assets the minimum, principles-based requirements of subpart C would apply? For example, are there circumstances where a custodian may be unaware that stablecoin assets held in an account are being used as collateral and potentially subject to the requirements of subpart C?

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Question 157: The proposed rule describes how a custodian maintains control of a stablecoin or tokenized stablecoin reserve assets. Is this description appropriately calibrated? Are there other means by which a custodian should be deemed to have demonstrated control over these types of assets?

GDF supports a technology-neutral, outcomes-based definition of custodian control, consistent with our responses to Questions 149 and 154 above. We believe that to future-proof the regulatory regime, control should be defined by reference to the practical ability to effect a transfer of the relevant asset on behalf of a client, rather than by reference to any specific technical mechanism or form of key possession. This approach would ensure that custodians employing modern cryptographic architectures, including MPC, threshold signature schemes, and other distributed key management models, are able to demonstrate control through the robustness of their overall safeguarding arrangements rather than through possession of a complete private key. The OCC should confirm that these architectures constitute valid demonstrations of control provided they meet the relevant safeguarding outcomes and should avoid framing control requirements in ways that presuppose exclusive unilateral access or reconstructability of private keys, which would be inconsistent with the design principles of many institutional-grade custody models.

Question 158: Are there additional considerations the OCC should take into account regarding a covered custodian's use of an omnibus account? For example, should the OCC consider a highlevel principals-based approach to apply generally to a covered custodian's provision of custodial or safekeeping services to covered customers for covered assets while utilizing a more detailed regulatory framework regarding a covered custodian's use of omnibus accounts? Alternatively, to what extent should the OCC consider proposing that a covered custodian may, for convenience, commingle in a single omnibus account both covered assets and other custodial assets that are not covered assets? What efficiencies and challenges would such an approach raise? Are there additional risk considerations the OCC should consider if it takes such an approach? For example, to what extent should the OCC consider prescribing additional recordkeeping, customer account, disclosure, or other terms or conditions as a precondition to a covered custodian commingling covered assets and non-covered assets?

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Question 159: Regarding the proposed rule governing the withdrawal of custodial covered assets to pay certain commissions, taxes, storage, and other charges, should the OCC require any more prescriptive customer protection requirements, such as those designed to ensure that such withdrawals do not cause any reserve to fall below any minimum coverage of a payment stablecoin? What are the costs and benefits of these or any similar approach? For example, in order to implement an effective compliance system, would such a requirement impose undue burdens on a custodian from withdrawing any permitted funds from a custodial account that contains payment stablecoin reserves?

No comment.

Question 160: Section 10(c)(3) of the GENIUS Act provides a priority regime regarding the claims of covered customers against a covered custodian with regards to any payment stablecoins used as collateral. The section also allows covered customers to expressly waive this 226 priority. What are the potential benefits and drawbacks of such a priority regime, including with regards to whether it may amplify losses to payment stablecoin issuers on payment stablecoin reserves that are custodied by a covered custodian that provides a diversified custodial business should there be a shortfall in a covered custodian's custodied assets? What market practices do commenters believe are likely to arise regarding the use of the contractual provisions that waive a covered customer's priority regarding payment stablecoins used as collateral that are held in custody? To what extent should the OCC consider either providing guidance on the use of such contractual provisions or requiring covered custodians to use such contractual provisions in their custody agreements? How are customer waivers in relation to covered custodians likely to impact the resolution of permitted payment stablecoin issuers? For example, would they lead to additional complications in determining the priority of claims?

We support the principle that covered customers should have clear and enforceable priority claims over payment stablecoins held as collateral in custody, consistent with our broader position that reserve assets and custodied stablecoin assets should be legally segregated and protected from custodian creditor claims. The priority regime reinforces confidence in the custody framework and provides important protections for stablecoin holders and issuers in insolvency scenarios.

With regards to the waiver, GDF recommends that the OCC provide clear guidance on the circumstances in which priority waivers are appropriate, including the standard of disclosure required before a waiver can be validly obtained, rather than leaving this entirely to market practice. Without guidance, there is a risk that waivers become standard boilerplate in custody agreements, effectively undermining the priority protections the regime is designed to provide.

Question 161: The GENIUS Act provides an exclusion from the custodial requirements to any person solely on the basis that such person engages in the business of providing hardware or software to facilitate a customer's own custody or safekeeping of the customer's payment stablecoins or private keys. The OCC proposes to clarify that it would not consider certain activities to constitute "solely" providing hardware or software to facilitate custody or safekeeping of payment stablecoins or private keys. Should the OCC consider implementing any other language to prevent the exception from being used to evade the custodial requirements of the Act? Alternatively, could an OCC-supervised institution provide ancillary custodial services to a user of such hardware or software (e.g., facilitating the customer's crypto-asset and fiat currency exchange transactions, transaction settlement, trade execution, recordkeeping, valuation, tax services, reporting, or other appropriate services) while avoiding the minimum, principles-based requirements of the proposal?

In general, we support the OCC's proposed clarification of the "solely" providing hardware or software exclusion and agree that the exclusion should be carefully calibrated to prevent firms performing economically equivalent custody functions from structuring around the requirements. Consistent with our response to Question 156, we recommend that the exclusion be grounded in clear functional criteria, specifically whether the firm has the practical ability to effect a transfer of the relevant asset on behalf of a customer. Where a firm providing hardware or software also performs functions that give it that practical ability, whether through ancillary services such as transaction settlement, recordkeeping, or access management, it should be treated as performing a custodial function and subject to the relevant requirements accordingly. When considering whether ancillary services can be provided without triggering the custodial requirements, GDF's view is that this should be assessed on a functional basis rather than by reference to the label attached to the service, with the determinative question being whether the combination of services gives the provider meaningful control over the customer's assets.

Question 162: Are there particular circumstances for which the OCC should provide additional clarification as to the application of subpart C or the applicability of any exception (e.g., regarding payment stablecoins locked in a smart contract for purposes of "wrapping" the payment stablecoin for use on an unsupported blockchain)?

Yes, we recommend that the OCC publish guidance addressing scenarios where the application of subpart C is likely to be unclear in practice. These might include payment stablecoins locked in smart contracts for cross-chain wrapping purposes, as the question identifies, where the issuer or custodian may temporarily lack the practical ability to effect a transfer of the asset during the locking period. Consistent with our response to Question 119 on cross-chain operational risk, GDF recommends that the OCC also confirm that temporary locking of assets in a smart contract for legitimate cross-chain interoperability purposes does not constitute a breach of custodial control requirements, provided appropriate safeguards are in place and the locking arrangement is documented and disclosed. More broadly, we also believe that the OCC should commit to an ongoing process, in collaboration with industry, to share interpretive guidance as new technical use cases emerge, given the pace of innovation in distributed ledger infrastructure and the likelihood that further scenarios will arise that were not anticipated at the time of the final rule.

Question 163: In order to ensure that a permitted payment stablecoin issuer is able to meet redemptions on a timely basis, should the OCC require that any custody agreement a covered custodian enters into with a permitted payment stablecoin issuer provide for prompt release of any custodied covered assets to the covered customer's control? For example, should a custody agreement require that a covered custodian have the ability to transfer control of covered assets comprising payment stablecoin reserves, or execute and settle at the covered customer's direction any such assets, within a specific timeframe? What are the costs and benefits of any such approach?

XXXX

Question 164: To what extent are Schedule RC-T of the Call Report, in the case of national banks, Federal savings associations, or Federal branches, and the portions of the reports required under proposed § 15.14 relevant to custodial activities, in the case of non-bank Federal qualified payment stablecoin issuers and applicable State qualified payment stablecoin issuers, appropriate to ensure that the OCC possesses the information necessary to supervise covered custodians? If other forms of reporting would be helpful, what are they? If other types of information would be helpful, what are they? What are the costs and benefits of more detailed reporting requirements?

No comment.

Question 165: To the extent a covered custodian with fiduciary powers provides fiduciary services to a covered customer in connection with the customer's covered assets, are the existing requirements in 12 CFR part 9 or 150, as applicable, appropriate to implement the GENIUS Act? Are there any efficiencies or challenges generated between the requirements in the GENIUS Act, 228 the requirements proposed in subpart C, and the fiduciary activities requirements in 12 CFR part 9 or 150? Should the OCC consider leveraging the compliance regime in 12 CFR part 9 in connection with the portion of a covered custodian's provision of custodial or safekeeping services for covered assets that is conducted in a fiduciary capacity?

No comment.

Question 166: Does the proposed approach regarding custody of covered assets proposed in subpart C, or any alternative approach discussed in comments or suggested by commenters, pose any concerns regarding fair competition between covered custodians and entities that are otherwise permissible custodians under section 10(a) of the GENIUS Act but which are not supervised by the OCC?

No comment.

Applications and Registrations

Question 167: Should the OCC explicitly provide in regulation that the application process under proposed § 15.30 supersedes all other filing requirements in OCC regulations related to issuance of stablecoins?

No comment.

Question 168: Should the OCC establish any other factors in § 15.30 to ensure the safety and soundness of the applicant permitted payment stablecoin issuer? Should the OCC include as a factor the applicant's ability to conduct its proposed activities in a safe and sound manner? Are there other, more specific, criteria relating to safety and soundness that the OCC should consider?

GDF agrees that an applicant's ability to conduct its proposed activities in a safe and sound manner is an appropriate and necessary factor in the §15.30 application process and welcomes its inclusion as an explicit criterion. We believe that any additional safety and soundness factors should be principles-based and assessed by reference to each applicant's specific business model, risk profile, and operational capabilities, consistent with our proportionality principle throughout this response. However, we recommend against prescribing a detailed checklist of safety and soundness criteria in the rule text, as this risks creating a compliance exercise that does not reflect the diversity of applicant structures and could disadvantage innovative or non-traditional business models that nonetheless present low risk profiles. We would recommend instead that the OCC should instead publish clear supervisory guidance on how it will assess safety and soundness as part of the application process, with a commitment to engage with applicants transparently on any concerns before making a determination.

Question 169: The OCC specifically requests comment on the proposed standards for issuing a waiver under proposed § 15.30(f) and whether the OCC should consider any other facts in deciding to grant a waiver.

No comment.

Question 170: How should the OCC evaluate whether reserves held by foreign payment stablecoin issuers in the United States are sufficient to meet the demands of United States 229 customers? Will foreign payment stablecoin issuers be able to reliably determine which of their customers are United States customers? Should the amount of reserves held in the United States be required to exceed by some margin (e.g., 50 percent) the estimated one-month redemptions by United States customers? Should the amount of reserves held in the United States be based on the estimated number of United States holders of the payment stablecoin issued by the foreign payment stablecoin issuer? Is some other method appropriate for determining the amount of reserves that must be held in United States institutions? How are foreign payment stablecoin issuers likely to determine whether their customers are located in the United States? Are they likely to have access to sufficient information to make this determination? Is the scope of United States institutions in which a foreign payment stablecoin issuer may hold reserve assets appropriately calibrated? Should it include any other eligible financial institutions?

Overall, we welcome the OCC's consideration of this question and consider it to be one of the most commercially significant issues for foreign payment stablecoin issuers seeking to access the US market under the GENIUS Act framework. A well-calibrated and operationally workable approach to US reserve sufficiency is essential to ensuring that the foreign issuer registration pathway is genuinely accessible to well-regulated non-US issuers.

On the methodology for assessing US reserve sufficiency

GDF recommends that the OCC adopt a risk-based, outcomes-focused methodology for assessing US reserve sufficiency that is anchored to an issuer's actual US customer redemption profile rather than a fixed percentage of outstanding issuance or a static margin above estimated one-month redemptions. A rigid 50% margin above estimated one-month redemptions, as the question contemplates, would impose a significant and potentially excessive commercial burden on foreign issuers whose US customer base represents a small or predictable fraction of their total issuance, and would be disproportionate relative to the actual liquidity risk the requirement is designed to address.

Instead, we recommend that the OCC require foreign issuers to maintain US reserves sufficient to meet a credible stress scenario of US customer redemption demands, assessed by reference to the issuer's historical US redemption patterns, the nature and size of its US customer base, and its overall reserve liquidity profile. This principles-based approach, calibrated to each issuer's actual risk profile, would achieve the OCC's liquidity protection objectives without imposing a blanket requirement that may be poorly suited to the diversity of foreign issuer business models and US customer bases.

On determining US customer identity

GDF acknowledges that reliably identifying US customers presents genuine operational challenges for foreign payment stablecoin issuers, particularly those distributing through intermediaries or operating in markets where stablecoins circulate freely across borders. As we recommended in our responses to

Questions 1 and 24, the OCC should confirm that KYC-derived residence data and customer self-certification constitute sufficient evidence of US residency for compliance purposes, and that issuers are not expected to independently verify residency beyond what is obtainable through standard onboarding procedures. Requiring foreign issuers to identify US customers to a higher standard than is operationally achievable through existing KYC infrastructure could unintentionally create an unworkable compliance burden and could deter well-regulated foreign issuers from seeking OCC registration entirely, contrary to the GENIUS Act's market access objectives.

GDF also recommends that the OCC confirm that foreign issuers distributing through regulated intermediaries may rely on those intermediaries' customer identification data for purposes of estimating their US customer base, provided appropriate contractual arrangements are in place requiring the intermediary to share relevant customer data with the issuer for compliance purposes.

On the scope of eligible US institutions for foreign issuer reserves

GDF supports the broad scope of US institutions in which foreign payment stablecoin issuers may hold reserve assets and recommends that the OCC confirm that this scope includes foreign branches and correspondent banks of US insured depository institutions, consistent with our recommendation in response to Question 54. Many foreign issuers maintain established reserve management relationships with foreign branches of US banks that are integral to their operational infrastructure, and excluding these arrangements from eligibility for US reserve purposes would impose unnecessary disruption without commensurate prudential benefit. The key criterion should be whether the reserve assets are held in instruments that meet the eligibility requirements of §15.11(b) and are accessible to meet US customer redemption demands in a timely manner, rather than the geographic location of the custodying institution.

Question 171: Should the OCC require different or additional information to be reported by foreign payment stablecoin issuers? If so, what additional information should the OCC require? How frequently should the OCC require such information? Should any additional information be made public? Should the OCC expressly require foreign payment stablecoin issuers to provide the same reports, publish the same reports, and make and publish the same certifications as permitted payment stablecoin issuers? If not, what modifications to the reporting, publication, and certification requirements would be appropriate for foreign payment stablecoin issuers?

We believe that foreign payment stablecoin issuers should be subject to reporting requirements that achieve equivalent outcomes to those applicable to permitted payment stablecoin issuers, rather than identical or additional requirements that go beyond what is necessary to meet the OCC's supervisory objectives. Where a foreign issuer is subject to comparable reporting and disclosure obligations under its home jurisdiction regulatory framework, the OCC should be prepared to place supervisory reliance on those obligations through bilateral cooperation arrangements with the relevant home regulator, rather than requiring duplicative reporting solely for US purposes. GDF recommends that the OCC develop a framework for supervisory cooperation with comparable foreign regulators that allows for information sharing and mutual reliance on home jurisdiction reporting.

Question 172: In proposed § 15.30 related to approval of permitted payment stablecoin issuers and in proposed § 15.32 related to the registration of foreign payment stablecoin issuers, should the OCC require that a permitted payment stablecoin issuer or a foreign issuer be allowed to only issue a single type (i.e., brand) of payment stablecoin? What other arrangements designed to ensure legal separateness with respect to the reserve assets backing a particular brand of payment 230 stablecoin should the OCC consider? For example, should the OCC require a permitted payment stablecoin issuer (or its parent company) to hold reserves in a special purpose, bankruptcy remote vehicle that is fully capitalized by the issuer and has no liabilities. What are the merits of these arrangements relative to requiring each issuer to issue only one brand of payment stablecoin? If the OCC requires a separate issuer for each brand of payment stablecoin, should the OCC streamline the approval process for certain applicants (e.g., by only requiring the applicant to provide notice if the parent or affiliate of the new issuer has previously received approval to act as a permitted payment stablecoin issuer)? In the absence of a restriction on issuing more than one brand of stablecoin, how would issuers ensure that reserve assets are properly legally and operationally allocated to the backing of each brand of stablecoin? Are there any other issues or challenges that permitted payment stablecoin issuers could encounter in complying with the Act in the absence of such a restriction? If the OCC were to impose any of the requirements on issuers as described above, how would these requirements interact with State qualified payment stablecoin issuers that transition to the Federal regulatory framework that are not subject to the approval process by the OCC? To ensure equitable treatment across OCC regulated entities, should the OCC, for example, prohibit all permitted payment stablecoin issuers from issuing more than one brand of payment stablecoin (per legal entity) in § 15.10?

GDF strongly recommends against imposing a single-brand restriction on permitted payment stablecoin issuers, whether applied to domestic issuers, foreign issuers, or both. We firmly believe that a blanket restriction of this kind would be disproportionate, commercially damaging, and inconsistent with the GENIUS Act's objective of establishing a competitive and innovative payment stablecoin market.

How the market operates in practice

Multi-brand and white-label arrangements are not peripheral features of the payment stablecoin ecosystem: they are a core part of how the market works. Issuers build regulated infrastructure once, including reserve management frameworks, compliance programs, risk controls, and supervisory relationships, and then leverage that infrastructure across multiple distribution partnerships and co-branded products. The compliance and prudential architecture sit at the issuer level, not the brand level. A requirement that each brand be issued by a separate legal entity would not improve the quality of that architecture; it would simply require it to be duplicated across multiple entities for no supervisory benefit.

The practical consequences of a single-brand restriction would be significant. Issuers with existing multi-brand operations would face material restructuring costs and operational disruption. Each new legal

entity would require its own examination cycle, its own supervisory relationship with the OCC, and its own compliance infrastructure, all of which represent direct cost to issuers without delivering any commensurate improvement in holder protection or financial stability. For smaller or newer entrants, these costs could be prohibitive, reducing rather than increasing competition in the market.

Reserve allocation in the absence of a single-brand restriction

The OCC asks how issuers would ensure reserve assets are properly legally and operationally allocated to each brand in the absence of a single-brand restriction. Our answer is that issuers can and do maintain brand-level reserve allocation through internal accounting and operational controls, without requiring separate legal entities. Reserve assets can be designated, tracked, and audited at the brand level within a single issuer's reserve management framework, whether through separate reserve accounts, dedicated sub-accounts within an omnibus structure, or equivalent arrangements that ensure clear traceability of reserves to the corresponding outstanding issuance of each brand. This is auditable, supervisable, and achieves the holder protection objective the OCC is seeking without imposing the structural costs of legal separation.

GDF therefore recommends that the OCC adopt an outcomes-based requirement: that reserve assets backing each brand of payment stablecoin be legally segregated and operationally identifiable at the brand level, with issuers required to maintain and disclose to the OCC the internal policies and controls by which they achieve this. This approach achieves the same protective outcome as a single-brand restriction while preserving the legitimate multi-brand and white-label arrangements that are central to how the market operates.

On special purpose, bankruptcy remote vehicles

GDF recommends against making SPV structures mandatory for multi-brand issuers. Requiring separate bankruptcy remote vehicles per brand would impose substantial structural and operational costs, particularly for smaller issuers, and would create its own complexity in insolvency scenarios involving multiple vehicles across the same corporate group. The reserve segregation and traceability approach we recommend above achieves the same holder protection objective more efficiently and with less regulatory overhead. Issuers who wish to adopt SPV structures should be free to do so, but this should remain an issuer choice rather than a regulatory requirement.

On streamlined approval for affiliates

If the OCC determines that separate legal entities are required for each brand, GDF strongly supports a streamlined approval process for affiliates of already-approved issuers. Requiring a full application for each new entity within an established, already-supervised corporate group would impose disproportionate burden with no meaningful additional supervisory benefit. The OCC would already have full visibility into the parent group's governance, compliance, and risk management frameworks. A notification-based process, under which the OCC confirms approval within a defined timeframe absent material concerns,

would be more proportionate and consistent with the GENIUS Act's objective of an accessible and efficient regulatory pathway.

GDF further recommends that the OCC clarify that a PPSI license should extend to cover any consolidated affiliates of the licensed issuer that issue the same token under the same brand and reserve framework, without requiring a separate license application for each affiliate entity. Stablecoins issued by consolidated affiliates under the same token should be treated as fungible for the purposes of outstanding issuance value calculations and reserve requirements, provided that consolidated reserve management and reporting is maintained at the group level. This approach would reduce unnecessary regulatory duplication for integrated corporate structures while maintaining the prudential integrity of the licensing framework. GDF considers this particularly important for globally active issuers whose operational structures involve multiple affiliated entities across jurisdictions and where requiring separate license applications for each consolidated affiliate would impose significant administrative burden without any corresponding improvement in supervisory oversight.

On equitable treatment across OCC-regulated entities

Any requirements relating to multi-brand issuance should be applied consistently across all OCC-regulated entities. A restriction that applies differently to non-bank permitted payment stablecoin issuers and bank subsidiaries would risk creating competitive distortions and would be contrary to the GENIUS Act's objective of a coherent and competitively neutral federal framework.

Question 173: Proposed §§ 15.31 and 15.32 refer to foreign payment stablecoin issuers holding reserve assets in United States financial institutions, consistent with section 18(a)(3) of the Act (12 U.S.C. 5916(a)(3)). Should the OCC further define "financial institution" for the purposes of these provisions? For example, the OCC could determine that the reserves must be held at State chartered depository institutions, insured depository institutions, national banks, or trust companies. These are the entities where permitted payment stablecoin issuers' stablecoin 231 reserves may be commingled in an omnibus account under section 10(c)(2)(A) of the GENIUS Act (12 U.S.C. 5909(c)(2)(A)). Should the regulation state that the reserve assets must be held with United States eligible financial institutions?

GDF supports adopting a broad definition of "financial institution" for purposes of §§15.31 and 15.32. We believe that restricting the definition to a narrow set of institution types such as state chartered depository institutions or insured depository institutions would impose unnecessary operational constraints on foreign payment stablecoin issuers, many of whom maintain established reserve management relationships with a broader range of US financial institutions including foreign branches of insured depository institutions and correspondent banks. Additionally, we recommend that the OCC align the definition of "financial institution" for foreign issuer reserve-holding purposes with the definition of "eligible financial institution" in §15.2, ensuring consistency across the framework and confirming that the full range of institutions eligible to hold reserves for permitted payment stablecoin issuers is equally available to foreign issuers holding US reserves. Overall, we believe that the determinative criterion

should be whether the institution meets the eligibility and custody requirements of §15.11(b), not its specific charter type or legal form.

Question 174: Should the OCC apply the capital requirements in proposed subpart E to the United States operations of foreign payment stablecoin issuers registered with the OCC? If so, how should the OCC modify these capital requirements to appropriately apply to the United States operations of foreign payment stablecoin issuers?

In general, GDF supports applying capital requirements to foreign payment stablecoin issuers' US operations in principle, consistent with the level playing field between foreign and domestic issuers that GDF has advocated for throughout this response. However, we recommend that the OCC adopt a functional equivalence approach rather than applying subpart E directly and in full. Where a foreign issuer is already subject to comparable capital standards under its home jurisdiction regulatory framework, we recommend that the OCC should recognize those standards as satisfying subpart E requirements with respect to its US operations, supported by supervisory cooperation with the relevant home regulator. Where no comparable home jurisdiction capital framework exists, we then recommend that OCC should retain discretion to apply proportionate capital requirements calibrated to the scale and risk profile of the issuer's US operations. Overall, we believe that this approach preserves a level playing field while avoiding the imposition of duplicative or conflicting capital obligations on well-regulated foreign issuers.

Question 175: Are there particular requirements that apply to permitted payment stablecoin issuers that should or should not apply to foreign payment stablecoin issuers? Please describe any such requirement and why the requirement should or should not apply.

GDF welcomes the OCC's invitation to address this question directly, as we believe it is important to carefully consider how best to address foreign payment stablecoin issuers in such a way that meets the reciprocity objectives set out under the GENIUS act, while also calibrated in a proportionate manner relative to those applicable to permitted payment stablecoin issuers.

Overall, we believe that foreign payment stablecoin issuers should be subject to requirements that achieve comparable outcomes to those applicable to permitted payment stablecoin issuers, rather than identical requirements that do not reflect the structure, regulatory context, or operating model of a non-US issuer accessing the US market. The functional equivalence principle should be the organizing concept for the foreign issuer framework, supported by robust supervisory cooperation between the OCC and home jurisdiction regulators. Where a foreign issuer is subject to comparable standards in its home jurisdiction, the OCC should take material account of those standards and associated home jurisdiction supervision when calibrating its own supervisory expectations, rather than requiring duplicative compliance solely for US purposes.For clarity, GDF considers that a functional equivalence approach gives practical effect to the GENIUS Act’s framework for comparability determinations and reciprocity arrangements, which are

intended to enable cross-border stablecoin activity without imposing duplicative or extraterritorial regulatory requirements.

GDF further considers that requirements imposed on foreign issuers should be calibrated to the nature, scale and risk profile of the issuer's U.S.-related activity and should not be applied by reference to the issuer's global consolidated operations where those activities do not give rise to U.S. financial stability, consumer protection, or market integrity risks. This is consistent with established principles of territorial regulation and helps ensure that the GENIUS Act is implemented in a manner that avoids unintended extraterritorial effects.

This principle should apply consistently across reserve, capital, reporting, and operational requirements, ensuring that obligations for foreign issuers are proportionate, risk-based and aligned to their U.S. activity footprint.

Against that framework, we set out below the specific requirements where we believe the OCC may wish to consider specific modifications or provisions for foreign issuers:

Reserve asset requirements (§15.11)

Foreign issuers should be subject to the same reserve asset quality and 1:1 backing standards as permitted payment stablecoin issuers, as these are fundamental to holder protection regardless of the issuer's domicile. However, the requirement to hold a portion of reserves in US institutions should be calibrated to the issuer's actual US customer redemption profile rather than applied as a fixed percentage of total outstanding issuance. Applying a fixed reserve localisation requirement by reference to global outstanding issuance could otherwise create disproportionate and economically distortive outcomes, and may discourage well-regulated foreign issuers from accessing the U.S. market, thereby undermining the GENIUS Act's objective of promoting the global use of dollar-backed payment stablecoins. Furthermore, we believe that the OCC should confirm that foreign branches and correspondent banks of US insured depository institutions qualify as eligible US institutions for this purpose, consistent with our response to Questions 54 and 173.

The OCC should also recognise that reserve assets supporting globally issued stablecoins are operationally managed on a pooled and fungible basis to support redemption across jurisdictions. Requirements that artificially segment or ring-fence reserves by jurisdiction may impair liquidity management, increase operational complexity and reduce the effectiveness of redemption arrangements without delivering commensurate prudential.

Diversification and concentration requirements (§15.11(c))

Foreign issuers should be subject to principles-based diversification requirements requirements comparable in outcome to those applicable to permitted payment stablecoin issuers, but we also believe that the OCC should recognize compliance with comparable home jurisdiction diversification standards as satisfying these requirements where appropriate.

Reporting and disclosure requirements (§15.14)

As we set out throughout our response, we believe that foreign issuers should be subject to reporting requirements that achieve comparablesupervisory outcomes rather than identical filing obligations. Where a foreign issuer already publishes reserve composition reports and makes certifications under its home jurisdiction framework, the OCC should work with the home jurisdiction supervisors to determine if the reports will satisfy their expectations for the monthly and quarterly reporting requirements, supplemented by US-specific disclosures provided that the OCC does not require duplicative re-reporting of substantially the same information in different formats where comparable disclosures have already been made under a comparable home jurisdiction framework To support this, we believe that the OCC should develop bilateral supervisory cooperation arrangements with comparable home regulators to facilitate information sharing and reduce duplicative reporting.

Capital requirements (§15.40 et seq.)

Foreign issuers should be subject to capital requirements that achieve comparable outcomes to subpart E. Where a foreign issuer is subject to comparable capital standards under its home jurisdiction framework, the OCC should treat those standards as satisfying subpart E requirements with respect to its U.S. operations. Only where no such comparable framework exists should the OCC apply proportionate capital requirements calibrated to the scale and risk profile of the issuer's U.S. operations.

Redemption requirements (§15.12)

Foreign issuers should be subject to the same redemption at par principle as permitted payment stablecoin issuers. However, the OCC should confirm that these redemption timeframe standards apply to the issuer's direct counterparty relationships and do not create a universal obligation to redeem any US holder regardless of whether they have absent a direct relationship with the issuer, consistent with our recommendation throughout this response.

Requirements that should not apply to foreign issuers

We believe that the single-brand restriction, which we do not support, should also not apply to foreign issuers. We have concerns that this would in most cases be inconsistent with the structural arrangements approved by their home jurisdiction regulators. Overall, we believe requirements relating to the US application and approval process should be streamlined for foreign issuers from comparable jurisdictions, with a registration pathway that reflects the existence of robust home jurisdiction oversight where reciprocal arrangements exist, rather than replicating the full domestic application process. In particular, the OCC should consider whether streamlined filing, documentary reliance, or abbreviated review processes may be appropriate where applicants are already subject to robust and comparable prudential oversight in their home jurisdiction provided that such arrangements maintain clear legal responsibility for redemption and reserve backing at the consolidated group level

Overall recommendation

Overall, GDF recommends that the OCC publish guidance, interpretive materials, or supervisory statements setting out how each substantive requirement in the proposed rule applies to foreign payment stablecoin issuers, including where functional equivalence with home jurisdiction standards will be recognized and what the process is for demonstrating that equivalence. We believe that this would provide important compliance certainty for foreign issuers considering OCC registration and would support the GENIUS Act's reciprocity objective of establishing the US as an accessible and well-regulated market for global payment stablecoin issuers. A proportionate and equivalence-based approach to foreign issuers will also support reciprocal treatment of U.S. issuers in foreign jurisdictions, thereby reducing regulatory fragmentation and promoting a more coherent global framework for dollar-backed stablecoins.

Question 176: Section 5 of the GENIUS Act (12 U.S.C. 5904) refers to "substantially complete" applications for permitted payment stablecoin issuers, but section 18 of the Act (12 U.S.C. 5916) does not refer to "substantially complete" applications with respect to foreign payment stablecoin issuers registering with the OCC (section 18 does refer to a "substantially complete" determination request to the Department of the Treasury). For parity, should the implementing regulations refer to a "substantially complete" application for both types of entities?

Yes, GDF supports adopting a "substantially complete" standard for foreign payment stablecoin issuer registration applications, consistent with the standard applicable to permitted payment stablecoin issuers. Applying a consistent completeness standard across both application types would provide foreign issuers with greater clarity on the minimum threshold required to initiate the OCC's review process, reduce uncertainty about whether an application will be accepted for processing, and support the accessible and efficient registration pathway that GDF has advocated for throughout this response.

Capital

Question 177: Are the proposed requirements for capital elements appropriate and sufficiently clear? Should the OCC consider permitting tier 2 capital in the form of subordinated debt, similar to the permitted capital element for a national bank? Should the OCC consider establishing limits on how much capital of each tier should be required or allowed? Alternately, should the OCC adopt a simpler measure of capital, such as anything that qualifies as equity under GAAP, instead of importing the bank framework for capital instruments? Should the OCC use tangible 232 equity (retained earnings, stock, and preferred stock, net of tangible assets) as the measure of capital for a permitted payment stablecoin issuer?

GDF supports adopting a simpler, GAAP-based measure of capital for permitted payment stablecoin issuers rather than importing the full tiered bank capital framework. As the primary function of a permitted payment stablecoin issuer is payment intermediation backed by high-quality liquid reserve assets, not credit intermediation, and the risk profile of these entities does not warrant the complexity of a

bank-style tier 1 and tier 2 capital architecture. As such we believe simpler measure anchored to tangible equity, comprising retained earnings, paid-in capital, and preferred stock net of intangible assets, would provide a clear, auditable, and operationally workable capital standard that is proportionate to the actual risks of payment stablecoin issuance. This approach is also more consistent with international frameworks, including MiCA, which applies simpler own funds requirements to electronic money token issuers rather than importing bank capital concepts.

Question 178: Should the OCC require deductions from regulatory capital for goodwill, certain deferred tax assets, or other illiquid or intangible assets, recognizing that these assets may not provide sufficient loss absorbency during a business disruption, and may experience volatility in value or writedowns that could deplete retained earnings? Please provide any data supporting your views.

No comment.

Question 179: Are the proposed components and determination of the minimum capital and backstop requirements appropriate for permitted payment stablecoin issuers? Which alternatives, if any, should the OCC consider and why? Should the requirements include any adjustments in recognition of newly acquired or divested businesses, or any other adjustments when calculating total expenses for purposes of the proposed backstop? Please provide any data supporting your views.

XXXX

Question 180: Is the $5 million minimum capital requirement for a de novo permitted payment stablecoin issuer appropriate?

XXXX

Question 181: Should the OCC incorporate a capital requirement based on the outstanding issuance value or amount and type of reserve assets, including variations of any of the proposals discussed above? For example, should the OCC impose a minimum capital requirement based on a set percentage of outstanding issuance value, as discussed above in this supplementary information? If so, are the minimum capital requirements and thresholds discussed above appropriately calibrated? Please provide any data supporting your views.

GDF has reservations about capital requirements based on a fixed percentage of outstanding issuance value as the primary capital metric for permitted payment stablecoin issuers. As GDF set out in its response to regulatory proposals in other jurisdictions, including the UK, issuance of a fully backed payment stablecoin is fundamentally a payment intermediation function rather than a credit intermediation function, and applying capital charges that scale linearly with issuance value risks overstating the economic risks associated with larger issuers whose reserve portfolios are composed

entirely of high-quality liquid assets. Instead, we believe that the primary risk the capital requirement should address is operational failure and wind-down costs, not reserve asset loss, which is already addressed through the 1:1 backing and diversification requirements in §15.11.

That said, GDF acknowledges that some scaling of capital requirements with outstanding issuance is a reasonable feature of a proportionate framework, provided the percentage applied reflects the actual residual risks of the business model rather than importing assumptions from deposit-taking or credit-extending institutions. GDF therefore does not oppose an issuance-based component in the capital framework in principle, but recommends that any such requirement be calibrated carefully, tiered to avoid cliff-edge effects at specific thresholds, and complemented by the expenses-based backstop as the primary sizing mechanism.

Question 182: Should the OCC adopt a capital requirement based on price risk, credit risk, operational risk, or interest rate risk, including variations on any of the proposals discussed 233 above? Please provide any data supporting your views. For example, should the OCC impose a charge for credit risk, such as a 2 percent capital charge for uninsured deposits? Should the OCC impose a capital charge to reflect the interest rate risk of certain reserve assets, such as Treasury securities? Should the OCC impose a minimum operational risk capital charge that scales with the size of the issuer, as discussed above (i.e., with a charge of 1 percent for small issuers with a smaller additional marginal charge applying at certain thresholds)? Should any such operational charge be based, in part, on the issuer's recent losses?

In general, GDF supports a risk-sensitive approach to capital requirements that reflects the actual risk profile of permitted payment stablecoin issuers and considers operational risk the most appropriate basis for a risk-based capital charge given the nature of the payment stablecoin business model. We believe that a principles-based operational risk capital requirement would be appropriate. However, we also believe that any such charge should be carefully calibrated to avoid double-counting risks that are already addressed through the reserve asset, diversification, and monetization capability requirements in §15.11, to ensure that capital requirements do not layer multiple charges on the same underlying risk.

With regards to credit risk charges for uninsured deposits, GDF supports a modest credit risk capital charge in principle given that uninsured deposits do carry genuine counterparty credit risk but recommends that any such charge be assessed net of the risk mitigation provided by the diversification and concentration requirements in §15.11(c), which already constrain single-counterparty deposit exposure. On interest rate risk charges for Treasury securities, GDF considers these largely mitigated by the 93-day maturity limit on eligible reserve assets and does not support a separate capital charge for interest rate risk where reserve portfolios are appropriately short-duration. Finally, when considering whether operational charges should be based on recent losses, GDF supports incorporating loss history as one factor in supervisory assessment of individual capital add-ons, but not as a mandatory component of a standardized charge applied uniformly to all issuers.

Question 183: Should the OCC adopt a capital requirement based on assets held in custody by permitted payment stablecoin issuers? If so, how should that requirement be calibrated? Please provide any data supporting your views.

No, GDF does not support a capital requirement based on assets held in custody by permitted payment stablecoin issuers. We believe that the custody requirements in subpart C already address the primary risks of custodial activity through segregation, safeguarding, and operational resilience obligations, and adding a capital charge calibrated to custody assets would create duplicative requirements that layer capital costs on the same underlying risks without commensurate prudential benefit. This is consistent with our overall view that capital requirements should not overlap with other parts of the regulatory framework that already address the same risk drivers. Where custody activity gives rise to genuine operational risk, this is more appropriately captured through the operational risk component of the capital framework rather than through a separate custody-based charge.

Question 184: Should the OCC adopt a capital requirement expressly designed to address costs of litigation, legal risk, or legal costs during insolvency that a permitted payment stablecoin issuer may face? If so, how should such a requirement be calibrated?

No comment.

Question 185: Should the capital and backstop requirements be calculated based as of the last day of a given quarter, as proposed? Should the amount instead be calculated across some other period of time, such as an average on a monthly, bi-monthly, biannually, or yearly basis?

XXXX

Question 186: Is the timing for the stablecoin issuer to meet capital and backstop requirements appropriate? Are the resulting activity limitations for failing to meet those requirements appropriate?

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Question 187: Are there any advantages or disadvantages to setting capital requirements for permitted stablecoin issuers consistent with or different from those set by non-United States regulators? The proposed approach to determining capital requirements is less prescriptive than approaches adopted or proposed in certain foreign jurisdictions. Are there any advantages or 234 disadvantages to setting capital requirements for permitted payment stablecoin issuers consistent with the approaches adopted by those jurisdictions?

GDF welcomes the OCC's consideration of international comparators in calibrating capital requirements for permitted payment stablecoin issuers and considers international alignment a significant advantage both for the competitiveness of the US market and for the coherence of the global stablecoin regulatory

framework. A capital framework that diverges materially from comparable international standards risks creating regulatory arbitrage opportunities, distorting issuer location decisions, and increasing compliance costs for globally active issuers who would be required to maintain different capital structures for different jurisdictions.

The OCC's proposed approach, which is less prescriptive than certain foreign frameworks including MiCA's own funds requirements for electronic money token issuers, is broadly consistent with industry support for a principles-based, appropriate and proportionate capital framework. However, GDF recommends that the OCC continue to monitor developments in key jurisdictions including the EU, UK, Singapore, and UAE as their stablecoin capital frameworks continue to mature and engage proactively with international standard-setters to promote convergence over time.

Question 188: Are the proposed criteria for imposing an individual additional capital or backstop requirements appropriate and sufficiently clear? For example, should the OCC define what constitutes "excessive volatility?"

GDF supports the OCC's discretion to impose individual additional capital or backstop requirements where an issuer's specific risk profile warrants it and considers supervisory flexibility of this kind an important complement to the standardized capital framework. However, GDF also recommends that the OCC provide greater definitional clarity on the criteria that would lead to such requirements, including what constitutes "excessive volatility" for these purposes. Without clearer guidance, issuers may face significant uncertainty in their capital planning and may be unable to assess whether their risk management frameworks are adequate to avoid triggering additional requirements. To mitigate the risk of uncertainty we would also recommend that the OCC publish supervisory guidance setting out the factors it will consider when assessing whether individual additional capital is warranted, including indicative thresholds or examples where practicable, while retaining sufficient flexibility to address issuer-specific circumstances on a case-by-case basis.

Question 189: Should the OCC adopt alternative capital calculations for uninsured national trust banks? Should those alternative requirements depend upon whether the trust bank issues a payment stablecoin? Is the proposal to allow trust banks to elect the part 15 framework appropriate, or should the OCC consider establishing an alternative capital requirement? Would the proposed capital requirement create a competitive imbalance between standalone national trust banks and trust departments of insured national banks? Is the proposed requirement that national trust banks that opt into the part 15 framework still largely follow the definition of capital under part 3, subpart C appropriate, or should proposed § 15.40 apply instead? Please provide any data supporting your views.

No comment.

Question 190: Instead of satisfying risk-based or leverage capital requirements, a Federal branch must maintain a capital equivalency deposit. This deposit is calculated in part based on total liabilities of the Federal branch and would include any liabilities associated with a stablecoin program. Are there options the OCC should consider with respect to calculation of the capital equivalency deposit for a Federal branch's stablecoin program? Assessments The OCC invites comments on all aspects of the proposal with respect to the proposed revisions to 12 CFR part 8, including the proposal to discount assessments on assets attributable to required stablecoin reserves, and the following questions:

No comment.

Question 191: The OCC invites comment on whether there is reason to believe that the existing assessment structure in § 8.2, as amended, or the proposed assessment structure under subpart B will not adequately and appropriately enable the OCC to fund its supervisory activities in connection with institutions' GENIUS Act-related activities. Should the OCC consider imposing assessments based on different or additional measurements to account for increased supervision activities it will undertake in connection with supervising the GENIUS Act-related activities of these institutions?

No comment.

Question 192: The OCC currently expects to receive all information necessary to impose assessments on each national bank or Federal savings association for GENIUS-act related activities as proposed here from existing Call Report data and the supplementary reports proposed in this notice. Is there reason to believe that this is not the case? For example, the OCC currently relies upon Schedule RC-T to capture the "fiduciary and related assets" upon which independent trust banks pay assessments under § 8.6(c). Is there any reason to believe that the custodial or safekeeping assets attributable to the activities described in 12 U.S.C. 5901 et seq would not be fully represented in Schedule RC-T and therefore in the assessments of national banks and Federal savings associations that remain subject to assessment under § 8.6(c)? Is there any necessary information that might not be captured?

No comment.

Question 193: To the extent the OCC should permit combinations of chartered and nonchartered institutions subject to the agency's jurisdiction to own a stablecoin issuing subsidiary, how should the OCC best ensure that the agency receives full contributions for assessed amounts? Under one option, the OCC could require each owner of a stablecoin issuing subsidiary to specifically report the amount and type of assets attributable to GENIUS Actrelated activities listed on their Call Reports, Schedules RC-T, and any reporting pursuant to 12 236 CFR 15.14 (as applicable) so that the OCC can confirm it has received the proper assessed amount attributable to the issuing subsidiary's GENIUS Act-related activities. The agency under this option would likely retain

discretion to decide whether to assign financial responsibility to each owner, or one or more owners (e.g., the majority owner), to eliminate any assessment shortfall that may exist in connection with the subsidiary's activities. However, the OCC seeks comment and information on other methods to ensure that it receives full assessments in connection with an issuing subsidiary owned by two or more institutions subject to OCC jurisdiction.

No comment.

Question 194: Should the OCC have a mechanism to account for voluntary overcollateralization of reserve assets? In proposing to discount assessments attributable to an issuer's on-balance sheet required reserve assets, the OCC considered but declined to propose an extension of that discount to over-collateralized reserve assets (or, more broadly, to exclude over-collateralized amounts from assessments overall). As noted, while the OCC does not wish to disincentivize over-collateralization, the agency is concerned that extending the proposed discount to over-collateralized reserves may encourage some institutions to mischaracterize the status of certain on-balance sheet assets as reserves to minimize their overall assessment. The OCC also preliminarily concludes that assessing voluntary over-collateralized stablecoin reserve amounts at undiscounted rates will not meaningfully influence an issuer's business judgment on whether and to what extent it should voluntarily over-collateralize its on-balance sheet stablecoin reserves. Nevertheless, the OCC seeks comment and any information that would support extending the proposed discount to voluntary over-collateralized reserves. If the agency ultimately concludes that an extension of the discount (or a carve out for voluntary overcollateralization) is appropriate, should the OCC cap the discount (or the carve out) for the 237 voluntary over-collateralization at an amount equal to between one to five percent of required reserves, reflecting the agency's understanding that current stablecoin reserve voluntary overcollateralization typically occurs within this range? If one to five percent is not the correct range, what range would be appropriate?

No comment.

Question 195: The OCC considered, but preliminarily declines, to set a required stablecoin reserve asset threshold above which the agency would impose either a series of graduated additional discounts or a cap for purposes of calculating assessments. The OCC has occasionally adopted a similar approach when warranted by circumstances. For example, the agency currently places a similar asset-based cap (currently set at $250 billion) on the calculation of the problem bank surcharge paid by banks that require increased supervisory resources. A required stablecoin reserve asset threshold could be appropriate if the OCC were confident that assessment revenues obtained on stablecoin reserve assets above a certain threshold would be disproportionate to the marginal cost of supervising GENIUS Act-related activities attributable to those assets. However, the agency preliminarily concludes it lacks sufficient certainty of its future supervisory needs to determine with confidence the threshold above which this circumstance would arise. The agency nevertheless seeks comment and any information to better assess whether there is a reserve asset

threshold above which it would be appropriate to impose either a series of graduated additional discounts or a cap for purposes of calculating assessments.

No comment.

Question 196: As noted, the OCC will rely on weekly and quarterly reporting under proposed § 15.14 to determine the appropriate semiannual assessment amount due from each supervised institution in connection to their GENIUS Act-related activities. The OCC requests any information and comment regarding the adequacy of these reports for these purposes. For 238 example, is the OCC using the correct reports? Is there any concern that the OCC will have too few data points to measure rolling reserve assets? Should the OCC require reporting on a rolling daily or weekly basis, directly to the OCC? Should the required reporting be focused on the latest figures, the highest figures, the median, or the mean? Should the OCC leverage the proposed weekly reporting required under proposed § 15.14(h)?

No comment.

Question 197: The OCC considered whether to reduce assessment for institutions subject to subpart B whose GENIUS Act-related activities would be subject to joint or coordinated review as between the OCC and either State permitted stablecoin regulators or foreign payment stablecoin regulators.131 The appropriateness of assessing one or more classes of institutions subject to subpart B at lower rates would depend on whether the cost of supervising those institutions' GENIUS Act-related activities is in fact shared jointly with another regulator such that the cost to the OCC is meaningfully lower than the cost of assessing national banks and Federal savings associations. Based on the OCC's supervisory experience in similar circumstances involving joint or coordinated circumstances, in the agency's judgement it is not likely that the costs will be any lower. The OCC nevertheless seeks comments or any information that may support adopting alternative assessment methodologies under proposed subpart B for all or a subset of institutions subject to subpart B and subject to joint or coordinated supervision in connection with their GENIUS Act-related activities, such as applying a discount in the range of 35 to 55 percent to Foreign or State qualified payment stablecoin issuers, or both, to reflect shared supervisory jurisdiction. In addition, the OCC 131 As noted, State chartered depository institutions that exceed the $10 billion in consolidated total outstanding issuances threshold are subject to the supervision of the OCC and the State payment stablecoin regulator acting jointly, and nonbank State qualified payment stablecoin issuers that exceed the $10 billion in consolidated total outstanding issuances threshold are subject to the supervision of the OCC and the State payment stablecoin regulator acting in coordination. Likewise, Foreign qualified payment stablecoin issuers will be subject to the supervision of foreign payment stablecoin regulators, as well as the OCC in connection with certain GENIUS Act-related activities. 239 requests comment on whether the 35 to 55 percent range is appropriate.

GDF agrees that, where a foreign or State qualified payment stablecoin issuer is subject to robust home-jurisdiction supervision that materially reduces the OCC's incremental supervisory burden in relation to GENIUS Act-related activities, this should be appropriately reflected in the OCC's assessment methodology.

While GDF acknowledges the OCC's preliminary view that joint or coordinated supervision may not necessarily reduce supervisory costs in all cases, we encourage the OCC to adopt a framework that permits supervisory fee reductions where, in practice, the OCC is able to take material account of home-jurisdiction supervision, reporting, examination work, or other supervisory outputs in discharging its own supervisory responsibilities. The degree of any reduction should be calibrated by reference to the practical extent of supervisory coordination, information sharing, reliance on home-jurisdiction work product, and overlap in supervisory scope.

In that regard, GDF considers that the OCC should retain flexibility to apply discounted assessment rates where cooperative supervisory arrangements demonstrably reduce duplicative supervisory effort, rather than presuming that shared jurisdiction necessarily entails comparable supervisory cost in all circumstances.

With respect to the proposed 35 to 55 percent discount range, GDF considers that this range may provide a reasonable starting point for consultation, provided that the final framework allows the OCC to calibrate discounts proportionately based on the nature and effectiveness of the relevant supervisory cooperation arrangements. A more rigid or binary approach may fail to reflect the differing degrees of supervisory overlap that may arise across jurisdictions and institutional structures.

More broadly, GDF encourages the OCC to revisit its cost assumptions over time as reciprocal supervisory cooperation arrangements with State and foreign regulators mature and information sharing, examination coordination, and supervisory reliance mechanisms become more established in practice.

General Request for Comment

Question 198: Does the proposed rule fulfill the GENIUS Act's mandate to issue regulations necessary to ensure financial stability? Are there other issues that the OCC should explicitly address, or risk management requirements it should impose, to ensure financial stability? Should the OCC collect any additional data in order to monitor financial stability in accordance with the GENIUS Act? If so, what data should it collect and how should it be collected?
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Question 199: A permitted payment stablecoin issuer must be obligated to convert, redeem, or repurchase its issued payment stablecoins for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value. Is additional guidance needed on

the accounting treatment for issued stablecoins and the associated reserve assets? If so, what considerations should factor into any such guidance (e.g., what legal structures would be relevant to the accounting treatment)?

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Question 200: What impact would the proposed rule have on credit creation? How can the OCC minimize any negative impact to credit creation?

GDF's view is that the proposed rule is unlikely to have a material negative impact on credit creation, for two reasons. First, payment stablecoin issuance is not credit creation. A permitted payment stablecoin issuer holds high-quality liquid reserve assets on a 1:1 basis against outstanding issuance and does not engage in fractional reserve lending or credit intermediation. The proposed rule therefore does not constrain credit supply in the way that bank capital or liquidity requirements might.

Second, the concern that stablecoin adoption drives deposit outflows that reduce bank lending capacity is not well-supported by available evidence. Payment stablecoins are primarily used as payment and settlement instruments rather than as substitutes for interest-bearing deposits, and the empirical record to date does not demonstrate that regulated stablecoin growth has produced the kind of sustained deposit displacement that would meaningfully constrain bank credit creation.

Question 201: Should any additional aspects of the proposed rule be adjusted based on the size of the permitted payment stablecoin issuer? For example, are there additional aspects of the proposed rule that should be applied exclusively to issuers with outstanding issuance above a certain amount? Should the OCC measure the "size" of a permitted payment stablecoin issuer by its outstanding stablecoin issuance or is there a better measurement?

Yes, we support a size-based tiering approach throughout the proposed rule, consistent with our proportionality principle and our recommendation that more sophisticated risk management obligations should apply to larger and more systemically significant issuers. The proposed rule already incorporates some size-based differentiation, including the extended examination cycle and audit thresholds, and GDF encourages the OCC to apply this principle more broadly across risk management, reporting, stress testing, and capital requirements.

With regards to the appropriate measure of size, GDF recommends that the OCC adopt a multi-factor approach rather than relying solely on outstanding issuance value. While outstanding issuance value is the most intuitive measure of a payment stablecoin issuer's scale, it may not fully capture operational complexity, the diversity of distribution arrangements, the number of direct counterparties, or the cross-border reach of the issuer's activities, all of which are relevant to the systemic risk profile of the issuer and the appropriate level of regulatory requirements. A framework that combines outstanding issuance value with measures of operational complexity and market reach would better support

proportionate and risk-sensitive calibration of requirements across the full range of permitted payment stablecoin issuers.

Question 202: Are there any aspects of the proposed rule that the OCC should adjust to promote fair competition between banks and non-banks?

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Question 203: Should the proposed rule explicitly address permitted payment stablecoin issuers that also issue/redeem the same or similar stablecoins in one or more foreign jurisdictions? Could these issuers be subject to additional risks or operational challenges that are not sufficiently addressed by the proposed rule? To what extent should stablecoin holders be able to distinguish between the same or similar stablecoins issued under the GENIUS Act versus another regulatory regime? If the holder should be able to establish that it is holding a GENIUS Act compliant stablecoin, how should the OCC assist the holder in making this determination? For example, should the OCC impose required disclosures or technical requirements, such as through smart contracts, including those that use wrappers or other techniques?

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Question 204: What additional issues could arise with respect to a business model where a foreign affiliate issues or redeems payment stablecoins abroad? How should the OCC address these issues?

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Question 205: Are there any other technical developments in distributed ledger protocols, digital assets, or related technologies that the proposed rule should address to ensure the purposes of the GENIUS Act are being met? For example, should the OCC consider automating aspects of reporting or oversight? Should the OCC incorporate additional provisions concerning the use of smart contracts when considering compliance with aspects of the proposed rule, such as risk management? Are there dynamics relevant to particular blockchains that could affect liquidity, redemption, operating risk, or run risk that the OCC should consider and incorporate into any final rule?

GDF recommends that the OCC adopt a standing commitment to engage with industry on emerging technical developments in distributed ledger protocols and digital asset infrastructure, rather than attempting to address specific technical developments in the rule text itself. Given the pace of innovation in this space, provisions that reference specific technologies or protocols risk becoming outdated quickly and could inadvertently disadvantage issuers using newer and potentially more secure or efficient architectures.

With regards to automated reporting and oversight, GDF supports exploring on-chain reporting mechanisms that could provide the OCC with real-time or near-real-time visibility into reserve asset composition and outstanding issuance value, where issuers operate on public or permissioned ledgers that support such transparency. This could reduce the reporting burden on issuers while improving supervisory data quality, and the OCC should engage with industry to assess feasibility as part of its ongoing implementation work.

With respect to smart contracts and risk management, GDF supports a principles-based approach that requires issuers to assess and manage smart contract risks as part of their operational risk management framework under §15.13, without prescribing specific technical standards. Smart contract audit requirements, upgrade governance standards, and incident response procedures are areas where industry best practice is developing rapidly and where supervisory guidance would be more appropriate than rule-level requirements. We expand upon best practice, as well as supervisory approaches in our joint report with GFMA, The Smart Contract Primer.

Finally, on blockchain-specific dynamics, GDF recommends that the OCC confirm that its assessment of liquidity, redemption, and operational risks will be conducted on a technology-neutral basis, recognizing that different blockchain architectures present different risk profiles that should be assessed by reference to outcomes rather than the specific ledger technology used.

Question 206: Are there any particular considerations that the OCC should bear in mind or changes that the OCC should make with respect to permitted payment stablecoin issuers that are owned or operated by a consortium of other entities? In cases where the consortium includes 241 both State-chartered insured depository institutions and national banks or Federal savings associations, which agency should be the primary Federal payment stablecoin regulator (e.g., the primary Federal payment stablecoin regulator of the majority owner or owners)?

No comment.

Question 207: Should the OCC adopt any new rules or change any existing rules to implement the insolvency provisions of the GENIUS Act? Should the OCC require permitted payment stablecoin issuers to establish resolution plans?

Yes, in general GDF supports the OCC adopting clear rules implementing the insolvency provisions of the GENIUS Act, particularly those relating to the priority of stablecoin holder claims over reserve assets and the segregation of reserve assets from the issuer's general estate. Clarity on these points is essential to maintaining holder confidence in the integrity of the reserve framework and to ensuring that insolvency proceedings can be resolved in an orderly manner without triggering broader market disruption.

On resolution plans, GDF supports a proportionate requirement for larger and more systemically significant permitted payment stablecoin issuers to maintain wind-down plans that demonstrate how reserve assets could be accessed and distributed to holders in an orderly manner in the event of issuer

failure. For smaller issuers, a lighter-touch approach requiring documented contingency arrangements rather than a full resolution plan would be more proportionate. Any resolution planning requirements should be principles-based and calibrated to the specific risk profile of payment stablecoin issuers.

Question 208: Section 12 of the GENIUS Act provides that the primary Federal payment stablecoin regulators, in consultation with the National Institute of Standards and Technology, and other relevant standard-setting organizations, and State bank and credit union regulators, shall assess and, if necessary, prescribe standards for permitted payment stablecoin issuers to promote compatibility and interoperability with other permitted payment stablecoin issuers and the broader digital finance ecosystem. What efforts are issuers currently taking to address challenges posed by interoperability? What considerations should the regulators take into account in determining whether standards are necessary? Would the promulgation of standards help to broaden adoption of stablecoins?

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Question 209: What are risks posed by different types of interoperability solutions and how might issuers and regulators manage those risks? How can interoperability solutions aid in addressing risks facing issuers? What risks are introduced by cross-chain bridges and other interoperability solutions and how do these risks interact with BSA/AML and sanctions requirements? What steps can be taken to address such BSA/AML and sanctions concerns?

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Question 210: Is there anything else the OCC should do to address potential fraud concerns in the context of a final rule? For example, a bad actor may create fraudulent tokens intended to mimic a payment stablecoin. Are there technical or other requirements the OCC should impose 242 to mitigate the potential for such fraudulent tokens to harm consumers? For example, should authentic stablecoins be required to have an electronic signature that can be verified by a recipient? Are there other areas of potential fraud that the OCC should be aware of and should attempt to mitigate in the final rule?

GDF supports the OCC taking a proactive approach to mitigating fraud risks associated with fraudulent tokens designed to mimic permitted payment stablecoins and considers this an important consumer protection dimension of the final rule. We believe that the most effective and durable approach to this challenge is a combination of clear public disclosure, a searchable OCC registry of permitted payment stablecoin issuers and their associated tokens, and technology-neutral authentication standards that allow holders to verify the legitimacy of a stablecoin without requiring specific technical implementations.

For the registry, GDF recommends that the OCC maintain and publish a publicly accessible and regularly updated list of all permitted payment stablecoin issuers and the specific tokens they are authorized to issue, including relevant on-chain contract addresses where applicable. This would provide a reliable

reference point for holders, intermediaries, and market infrastructure providers seeking to verify whether a given stablecoin is issued by a regulated entity.

GDF notes that the effectiveness of the proposed framework in addressing unregistered or unlicensed token offerings will depend in significant part on the development of a broader digital asset service provider regime that gives the OCC's register of permitted payment stablecoin issuers operational force in the market. For non-bank entities in particular, the OCC's register will serve as the authoritative reference for market participants and supervisors seeking to determine whether a given stablecoin issuer is operating within the permitted framework. Without an accompanying DASP regime that places obligations on service providers to verify and act on the permitted status of issuers, the registry risks being informative without being enforceable, limiting its practical utility as a tool for preventing unlicensed token offerings from reaching end users. GDF encourages the OCC to consider how the registry can be designed to support this enforcement function, and to engage with other relevant regulatory authorities on the development of a DASP regime that gives the permitted issuer framework the market enforcement mechanisms it requires to be fully effective.

With respect to technical authentication requirements, GDF supports the OCC exploring outcomes-based standards that would allow holders to verify compliance status. However, we recommend against mandating specific technical mechanisms such as electronic signatures or smart contract wrappers at this stage, as the appropriate technical approach will vary across blockchain architectures and the market for authentication solutions is still developing. Instead, we believe that the OCC should engage with industry and standards bodies to identify the most effective and widely deployable authentication approaches before considering whether to make any specific technical requirement mandatory.

Question 211: What changes to existing rules should be made in recognition of the GENIUS Act? For example, should the OCC revise 12 CFR part 44 or 50 to ensure that stablecoin reserves do not count against relevant thresholds in those rules? Does 12 CFR part 44 pose any substantial impediment for banking entities planning to engage in permitted payment stablecoin activities? In particular, are there aspects of 12 CFR 44.5, 44.6, or 44.20 that would present undue burden or difficulties for a permitted payment stablecoin issuer that is subject to 12 CFR part 44?

No comment.