

## **Banking and Finance Law Daily Wrap Up, FINANCIAL TECHNOLOGY— OCC issues proposed rule to implement GENIUS Act, (Feb. 26, 2026)**

Banking and Finance Law Daily Wrap Up

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The proposed rule would implement the Act's requirements for American and foreign permitted payment stablecoin issuers under the OCC's jurisdiction and for certain custody activities conducted by entities under OCC supervision.

The Office of the Comptroller of the Currency has [issued](#) a [proposed rule](#) to implement the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act ([OCC Bulletin 2026-3](#)). The proposed rule addresses the regulations the OCC is required to promulgate under the Genius Act, with a few exceptions. The OCC is proposing a new 12 C.F.R. § 15 addressing activities, reserve assets, redemption, risk management, applications and registrations, and revocation or rescission, among other things. The proposed rule also revises some other related standards, as necessary. Comments on the proposed rule are due 60 days from its publication in the *Federal Register*. The OCC is requesting feedback on all aspects of the proposed rule with 211 specific questions being included in the notice.

**GENIUS Act.** Enacted on July 18, 2025, and effective on the earlier of 18 months after the enactment date or 120 days after the primary federal payment stablecoin regulators issue final regulation implementing the Genius Act, the GENIUS Act establishes a regulatory framework for payment stablecoin activities. The Act ensures that only permitted payment stablecoin issuers can legally issue a payment stablecoin in the U.S. It also prohibits digital asset service providers from offering or selling a payment stablecoin in the U.S. unless the issuer is a permitted payment stablecoin issuer or a foreign issuer that meets certain requirements. The GENIUS Act also lays out regulatory and licensing requirements for permitted payment stablecoin issuers and foreign issuers.

**OCC jurisdiction.** Under § 4 or § 7 of the GENIUS Act, the OCC has regulatory and enforcement authority over certain permitted payment stablecoin issuers, including national banks and their subsidiaries, federal savings associations and their subsidiaries, federal branches and their subsidiaries, foreign payment stablecoin issuers, nonbank entities seeking to be or approved to be federal qualified payment stablecoin issuers, and certain state qualified payment stablecoin issuers.

**Proposed rule.** The proposed rule addresses all of the regulations the OCC must promulgate under the GENIUS Act other than those related to the Bank Secrecy Act, anti-money laundering, and Office of Foreign Assets Control sanctions, as these will be addressed in a separate rulemaking in coordination with the Department of the Treasury. Earlier, the FDIC, which like the OCC is a primary federal payment stablecoin regulator, issued a notice of proposed rulemaking that would implement the GENIUS Act with respect to its jurisdiction (see [Banking and Finance Law Daily](#), Dec. 16, 2025).

Subpart A of the proposed rule provides the purpose and scope of the proposed rule and defines terms used throughout the proposed rule. Subpart B applies to permitted payment stablecoin issuers and state qualified payment stablecoin issuers. It addresses activities; reserve assets; redemption; risk management; audits, reports, and supervision; transitioning state qualified issuers to the federal regulatory framework; and unusual and exigent circumstances.

Subpart C imposes requirements on any person seeking to provide custodial or safekeeping services for payment stablecoin reserves, payment stablecoins used as collateral, or the private keys used to issue payment stablecoins, while Subpart D applies to applications and registrations, including examination and supervision of foreign issuers, revocation and approval rescission. Subpart E concerns capital and operational backstops.

**Adjustments to other rules.** The proposed rule would also make adjustments to other existing rules, including the bank capital rule in 12 C.F.R. part 3, the prompt corrective action regulations in 12 C.F.R. part 6, the assessment of fees in 12 C.F.R. part 8, and the rules of practice and procedure in 12 C.F.R. part 19.

**Expected effects.** In the Notice, the OCC states that it expects the primary effect of the GENIUS Act and the proposed rule to be “an increase in the aggregate market capitalization of payment stablecoins in response to an increased demand for payment stablecoins.” The OCC states it also anticipates that the regulatory clarity and simplification in the proposed rule will stimulate the issuance of payment stablecoin in the short run. Additionally, the analysis in the Notice assumes that, consistent with the proposed rule, “permitted payment stable coin issuers will not pay the holder of a payment stablecoin any form of interest or yield solely in connection with the holding, use, or retention of such payment stablecoin and that certain arrangement with affiliates or related third parties will be presumed to run afoul of this prohibition.”

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