coinbase

BY ELECTRONIC SUBMISSION

May 18, 2026

Ms. Jennifer M. Jones
Deputy Executive Secretary
Attention: Comments—RIN 3064-AG20
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: *Response to FDIC Notice of Proposed Rulemaking regarding Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Insured Depository Institutions*

Dear Ms. Jones:

Coinbase Global, Inc. (together with its subsidiaries, "**Coinbase**") appreciates the opportunity to respond to the Federal Deposit Insurance Corporation's ("**FDIC**") notice of proposed rulemaking ("**NPR**") to establish procedures for an insured State non-member bank or State savings association (each, an "**FDIC-supervised institution**") to seek FDIC approval to issue payment stablecoins through a subsidiary pursuant to the Guiding and Establishing National Innovation for U.S. Stablecoins Act (the "**GENIUS Act**," "**GENIUS**," or the "**Act**").[1]

Although the NPR largely pertains to procedural rules, once finalized, the resulting requirements and processes will have implications for all participants in stablecoin markets. The final rules, by virtue of being among the first to set the application process for an entity to become a permitted payment stablecoin issuer ("**PPSI**") under GENIUS, will have the effect of setting those baseline standards across federal regulators.

Coinbase applauds the FDIC for moving expeditiously to implement GENIUS. Legislation to create a Federal regulatory framework for stablecoins was "long-overdue."[2] The FDIC's NPR has helped start the clock on the primary Federal payment stablecoin regulators to issue final rules to implement GENIUS and enable the Act to sooner take effect.[3]

---

[1] Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Insured Depository Institutions, 90 Fed. Reg. 59409 (Dec. 19, 2025).
[2] *See*, *e.g.*, 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, 91 Fed. Reg. 10,205 (Mar. 2, 2026); *see also*, The White House, "Fact Sheet: President Donald J. Trump Signs GENIUS Act into Law" (July 18, 2025), https://www.whitehouse.gov/fact-sheets/2025/07/fact-sheet-president-donald-j-trump-signs-genius-act-into-law/.
[3] *See* GENIUS Act, Pub. L. 119–27, § 20, 139 Stat. 466 (2025).

And, we commend the FDIC for closely following the statutory provisions of GENIUS that address PPSI licensing. Congress carefully crafted GENIUS to establish a clear framework for growth and responsible innovation in the stablecoin market. As a relatively new market, stablecoin businesses, services, and activities must be given the opportunity to evolve. Taking a measured approach and avoiding requirements that go beyond what is necessary to implement the statute will support responsible stablecoin adoption. This is both the intention of Congress in GENIUS and important to support innovation in payments and financial services within the United States.

Consistent with this approach, the FDIC should consider a few adjustments when adopting final rules to better provide for clear and consistent ground rules across the federal and state financial regulators involved in regulating PPSIs. These clarifications will support the FDIC's goal of fostering growth and responsible innovation in the stablecoin market.

Streamline Licensing Application Standards

First, the final rule should clarify that the Federal payment stablecoin regulators will coordinate and adopt uniform licensing application standards and substantive requirements for PPSIs, including FDIC-supervised institutions or those supervised by other Federal regulators.[4] GENIUS mandates the primary Federal payment stablecoin regulators to coordinate, as appropriate, on rulemaking to implement the Act.[5]

The FDIC's NPR understandably leaves implementing regulations for more substantive application requirements under GENIUS — such as those around capital, liquidity, reserve asset diversification, risk management, and Bank Secrecy Act and anti-money laundering compliance — to forthcoming rulemakings.[6] Successful implementation of GENIUS by the FDIC and other agencies will depend on consistent and workable rulemaking by and among all of the relevant regulators, across not only procedural rules such as this one but also those governing the substantive rules for PPSIs. As the primary Federal regulator of FDIC-supervised institutions, a commitment to coordinate on PPSI regulations sends a strong signal to the market that Federal regulators will adopt consistent standards across PPSIs.

Clarify Unsafe or Unsound Practices

Second, the FDIC should clarify how it will apply the definition of "unsafe or unsound practice" that the FDIC has proposed separately with the Office of the Comptroller of the Currency ("**OCC**"), once finalized. Consistent with § 5(d)(2)(A)(i) of GENIUS, the proposed

---

[4] *See e.g.*, 90 Fed. Reg. at 59410, 59410 n.26, 59412.
[5] 12 U.S.C. § 5913(b). *See also* 12 U.S.C. § 5913(a) (requiring implementing rulemaking not later than one year after July 18, 2025).
[6] *See* 90 Fed. Reg. at 59410.

rule provides that the FDIC will deny a substantially complete application if the activities of the applicant would be "unsafe or unsound" based on the evaluative factors described in § 5(c) of the Act.[7] The FDIC should clarify that the final version of that proposed definition is applicable when evaluating whether an applicant's activities are "unsafe or unsound" for purposes of GENIUS, which should appropriately focus the evaluation on material risks to the financial condition of an applicant.[8]

Commit to Transparent Application Decisions

Lastly, the FDIC should commit to publishing application decisions publicly. This would support transparency around the application decision process under GENIUS. The NPR also provides that the FDIC may impose conditions upon approving an application, but shall not use such conditions to impose requirements in addition to those of § 4 of the Act.[9] Publication by the FDIC thus also would validate that, going forward, the agency will not impose approval conditions that exceed the requirements of §4 of GENIUS or that are otherwise excessive or inappropriate.

***

Coinbase appreciates the opportunity to submit feedback to the NPR. We look forward to working with the FDIC and other agencies on these issues.

Yours sincerely,

Scott Bauguess
Vice President, Global Regulatory Policy
Coinbase

---

[7] *See* 12 U.S.C. § 5904(d)(2)(A)(i); proposed 12 C.F.R. § 303.252(g)(3).
[8] *See* 90 Fed. Reg. at 48837. The fact that the FDIC and OCC have jointly proposed a definition of "unsafe or unsound practice" that is pertinent to implementing GENIUS, but the Federal Reserve Board has not, further underscores the importance of coordinated rulemaking by and among the primary Federal payment stablecoin regulators to ensure consistent and workable implementation.
[9] *See* proposed 12 C.F.R. § 303.252(g)(2). *See also* Section 4 of the Act, 12 U.S.C. § 5903 (requirements for issuing payment stablecoins).