

To:

U.S. Department of the Treasury
Attn: Office of General Counsel
1500 Pennsylvania Avenue NW
Washington, DC 20220

October 19, 2026**Response re: GENIUS Act Regulations on Payment
Stablecoin Issuance, Offer, and Sale**

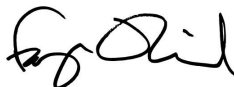
Coinbase Global, Inc. (together with its subsidiaries, "**Coinbase**") appreciates the opportunity to respond to Treasury's proposed rule to implement regulations on payment stablecoin issuance, offer, and sale pursuant to § 3 of the Guiding and Establishing National Innovation for U.S. Stablecoins Act ("**GENIUS**," "**the GENIUS Act**," or "**the Act**").

We generally support the proposal because it aims to implement § 3 consistent with the text and structure of GENIUS. Coordination of this rulemaking across the implementing agencies will be vital as Treasury and federal banking regulators all issue rules to implement GENIUS. Successful implementation relies on the Federal payment stablecoin regulators issuing consistent standards that are faithful to the text of GENIUS and to the objective, shared by Congress and the President, of extending the reach of the U.S. dollar through well-regulated payment stablecoins. Treasury has the ability to press for streamlined rules, and we urge it to do so.

In addition, there are important areas in the proposal that warrant clarification, especially for how digital asset service providers ("**DASPs**") can best support the statutory restrictions on the offer and sale of foreign payment stablecoins within the United States.

Coinbase appreciates Treasury's attention and efforts in implementing the GENIUS Act, and we look forward to working toward a fit-for-purpose framework for stablecoin issuance in the U.S.

Yours sincerely,



Faryar Shirzad
Chief Policy Officer
Coinbase

Introduction

Congress enacted GENIUS to ensure that the U.S. dollar remains the leading currency as global commerce moves onchain, and that the tokenized dollar is issued in the United States.¹ The statute carries out that purpose through a number of decisions Congress made: every payment stablecoin offered to persons in the United States must be backed one-for-one by U.S. dollars, short-term Treasuries, and similar liquid assets and be redeemable at par; only a permitted payment stablecoin issuer (“**PPSI**”) or an approved foreign issuer may issue or offer a payment stablecoin in the U.S.; and a foreign issuer earns access to the U.S. market when its home jurisdiction adopts comparable standards and facilitates “interoperability with United States dollar-denominated payment stablecoins issued overseas.”² The President has set the same course through Executive Order 14178, which makes it Administration policy to “promot[e] and protect[] the sovereignty of the United States dollar, including through actions to promote the development and growth of lawful and legitimate dollar-backed stablecoins worldwide.”³ The President’s Working Group on Digital Asset Markets has likewise asked Treasury and the banking agencies to “faithfully and expeditiously implement the GENIUS Act.”⁴

Section 3 is where Congress decided who may participate in that market. It prohibits anyone other than a PPSI from issuing a payment stablecoin in the United States, prohibits DASPs from offering or selling to persons in the United States any payment stablecoin that does not meet GENIUS standards, exempts direct transfers and self-custody, and reserves criminal liability for persons who knowingly participate in an unlawful issuance.⁵ Treasury’s role under § 3(d) is to “issue regulations to implement this section, including regulations to define terms,” and to do so “[c]onsistent with section 13.”⁶ That is a mandate to make Congress’s lines operational and to see that the other Federal payment stablecoin regulators apply the same standards. Agencies lack authority to impose requirements that go beyond what the statute commands,⁷ and the definitions Treasury adopts under § 3 will determine which stablecoins circulate in the United States, which intermediaries may handle them, and how far the dollar framework reaches abroad.

¹ Faryar Shirzad, Coinbase, *Response to OCC Request for Comment re: Implementing the GENIUS Act for the Issuance of Stablecoins by Entities Subject to OCC Jurisdiction* at 3 (May 1, 2026), https://ctf-images-01.coinbasecdn.net/o10es7wu5gm1/1Lf1wmD2QcIS2zN44qCIDV/6fb8e0400482440f43d3b3b12a8ffa4f/2026.05.01_Coinbase_response_to_OCC_proposed_rule_on_PPSI_requirements.pdf [hereinafter “**OCC Response**”].

² 12 U.S.C. § 5916(d)(1)(C).

³ Exec. Order No. 14,178, § 1(a)(ii), 90 Fed. Reg. 8647, 8647 (Jan. 31, 2025).

⁴ President’s Working Grp. on Digital Asset Mkts., *Strengthening American Leadership in Digital Financial Technology* at 93 (July 30, 2025), <https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-EO14178.pdf>.

⁵ 12 U.S.C. § 5902(a), (b), (f), (h).

⁶ *Id.* § 5902(d).

⁷ OCC Response, *supra* note 1, at 1.

In our response to Treasury's advance notice of proposed rulemaking on these issues, we explained that Congress resolved the central definitional questions in the text of the Act.⁸ GENIUS defines "payment stablecoin" by three objective prongs.⁹ It defines "digital asset service provider" by reference to financial intermediation for compensation and carves out distributed ledger protocols, self-custodial software, validators, and wallet developers.¹⁰ And, it attaches § 3(f) criminal liability only to knowing participation in an issuance that violates § 3(a).¹¹ We asked Treasury to implement each provision as written, and the proposal largely does so. The final rule should preserve those outcomes.

The remaining issues concern how Treasury applies the statute. First, Treasury should use its coordinating role under § 13 to hold every GENIUS regulation, including its own, to the text and structure of GENIUS and to the purpose Congress and the President have set for it. Second, Treasury should confirm that a DASP may use a non-qualifying foreign payment stablecoin to complete a cross-border payment for a U.S. customer who never holds that stablecoin. Clear answers on both points, applied consistently across regulators, will let PPSIs and DASPs build the market Congress set in place.

I. Treasury Should Maximize Consistent Regulatory Implementation of the GENIUS Framework

Recommendation: Treasury should prioritize its interagency coordination obligations so that the implementing regulations of Treasury and the primary Federal payment stablecoin regulators are consistent with one another, with the text of the statute, and with the intent of Congress.

Treasury should prioritize its obligations under § 13(b) of the Act, together with its rulemaking authority under § 3(d), to coordinate consistent regulations across Treasury and the Federal payment stablecoin regulators, and ensure that such regulations promote the objectives of the legislation. Effective and consistent implementation across the regulators and regulations requires clear substantive requirements for stablecoin issuers and market participants, as well as consistent definitions, jurisdictional boundaries, application and registration processes, supervisory expectations, effective dates, and

⁸ Faryar Shirzad, Coinbase, *Response to Treasury Advance Notice of Proposed Rulemaking regarding GENIUS Act Implementation* at 3–5, 10–11 (Nov. 4, 2025), https://images.ctfassets.net/o10es7wu5gm1/5yubH1c9HETDiw9rSlxHqV/ca9400cad98c1a930d93de4eccec047d/2025.11.04_Coinbase_Treasury_ANPRM_Response.pdf.

⁹ 12 U.S.C. § 5901(22).

¹⁰ *Id.* § 5901(7).

¹¹ *Id.* § 5902(f).

enforcement standards. As Secretary Bessent commented more than a year ago, the federal financial regulators need to be “singing in unison from the same song sheet.”¹²

Section 13 of the GENIUS Act calls for coordination among the primary Federal payment stablecoin regulators, Treasury, and State regulators in implementing the statute.¹³ Treasury’s coordination mandate is embedded in § 3(d)’s grant of rulemaking power, which gives it the authority to translate § 3’s prohibitions and limitations into operative regulations, including by defining the terms that determine when a payment stablecoin is issued, offered, sold, or otherwise made available. That authority is expressly framed as “[c]onsistent with section 13,”¹⁴ making coordination an integral part of Treasury’s rulemaking mandate.

Coordination among regulators and consistent regulations for PPSIs and stablecoin market participants is essential to realizing GENIUS’s promise. Divergent or unclear implementation by primary Federal payment stablecoin regulators creates uncertainty regarding standards and potential liabilities that will hamper growth of the U.S. stablecoin market. We therefore urge Treasury to use its coordinating role to align the implementing regulations of all the Federal payment stablecoin regulators with the text of the Act and the purpose Congress and the President have set for it.

II. Clarifying DASP Activities in Cross-Border Transactions

Recommendation: Treasury should clarify that a DASP can facilitate transactions involving non-qualifying foreign payment stablecoins so long as those transactions do not result in persons located in the United States holding or owning the non-qualifying foreign payment stablecoins.

GENIUS § 3(b) governs DASP services that involve payment stablecoins issued by foreign issuers (*i.e.*, those not organized in the United States). Section 3(b)(2) prohibits a DASP from offering, selling, or otherwise making available in the United States any payment stablecoin from a foreign issuer that lacks the technological capability to comply, or will not comply, with lawful orders and any § 18 reciprocal arrangement.

The broader prohibition in § 3(b)(1) prohibits a DASP from offering or selling a payment stablecoin to a person in the United States *unless* the payment stablecoin is either: (1)

¹² Press Release, U.S. Dep’t of the Treasury, Treasury Secretary Scott Bessent Remarks at the Economic Club of New York (Mar. 6, 2025), <https://home.treasury.gov/news/press-releases/sb0045>.

¹³ 12 U.S.C. § 5913(b) (“COORDINATION.—Federal payment stablecoin regulators, the Secretary of the Treasury, and State payment stablecoin regulators should coordinate, as appropriate, on the issuance of *any regulations* to implement this Act”) (emphasis added).

¹⁴ *Id.* § 5902(d).

issued by a GENIUS-licensed PPSI (which requires the PPSI to be organized in the United States); or (2) issued by a foreign payment stablecoin issuer that has been approved and licensed for issuance into the United States as described in § 18.

Treasury's proposal would codify both prohibitions and provide helpful clarifications regarding the scope of the U.S. regulatory perimeter.

However, Treasury should further clarify that a DASP can facilitate transactions involving non-qualifying foreign payment stablecoins so long as those transactions do not result in persons located in the United States holding or owning the non-qualifying foreign payment stablecoins. Specifically, Treasury should confirm that § 3(b) does not prevent a DASP from using a non-qualifying foreign payment stablecoin to complete cross-border payments for a U.S. customer, so long as the transaction does not result in the U.S. person holding the non-qualifying foreign payment stablecoin.

This clarification would make clear that two types of common transactions would be permissible:

- Inbound payment: A payer outside the United States sends a non-qualifying foreign payment stablecoin to a DASP to satisfy a payment obligation to a U.S. customer of the DASP. The DASP exchanges the foreign non-qualifying payment stablecoin for a GENIUS-qualifying payment stablecoin or other forms of U.S. dollar value (e.g., commercial bank deposits).
- Outbound payment: A U.S. customer instructs a DASP to pay a recipient located outside the United States. The non-U.S. payment recipient wants payment in a non-qualifying foreign payment stablecoin. The DASP converts funds into, or otherwise holds, the non-qualifying stablecoin for this purpose, and executes the payment for its U.S. customer by delivering the non-qualifying foreign payment stablecoin to the non-U.S. person.

Both prohibitions in § 3(b) turn on whether a person in the United States acquires, or can acquire, the stablecoin. Making clear that these and other common cross-border payment flows are permitted serves the purpose of § 3(b), which is to keep foreign stablecoins that do not meet GENIUS standards from circulating among, or being used by, persons in the United States. In neither transaction described above does a U.S. person buy, hold, or acquire any right to use, transfer, or redeem the non-qualifying foreign payment stablecoin. The non-qualifying stablecoin passes only between persons located outside the United States and the DASP acting as intermediary. A DASP providing these services therefore does not offer, sell, or otherwise make the non-qualifying stablecoin available in the United States within the meaning of § 3(b).

The clarification also serves American interests and the goals of GENIUS. Both transaction examples end with the U.S. customer holding or sending a GENIUS-qualifying

payment stablecoin or other U.S. dollar value, so every cross-border payment a DASP intermediates pulls activity into dollar instruments that meet GENIUS standards. Foreign counterparties that want to do business with U.S. customers gain a reason to accept and hold GENIUS-qualifying payment stablecoins, and that demand extends the reach of the U.S. dollar and the GENIUS framework abroad.

DASPs are also Treasury's key partners in making § 3(b) work. A DASP that can receive, convert, and deliver a non-qualifying foreign payment stablecoin on a customer's behalf is the entity that keeps that stablecoin out of the hands of U.S. persons and applies the screening and conversion steps that GENIUS relies on. DASPs can perform that role only if the final rule lets them handle non-qualifying foreign payment stablecoins at the points in a transaction where no U.S. person holds them. If those activities are foreclosed, these payments will shift to foreign intermediaries that sit outside Treasury's reach and have no obligation to convert the proceeds into a GENIUS-qualifying payment stablecoin.

To avoid confusion in the market, we ask Treasury to confirm this reading in the rule text or by including both transactions as interpretations in Appendix A.

Conclusion

We thank Treasury for its work implementing the GENIUS Act. Fit-for-purpose rules will help fulfill the President's goal of making the U.S. the crypto capital of the world. We appreciate the opportunity to respond and look forward to continued collaboration with Treasury and the Federal payment stablecoin regulators.