May 1, 2026

Office of the Comptroller of the Currency
Chief Counsel's Office
Attn: Comment Processing
400 7th Street SW, Suite 3E-218
Washington, DC 20219

Re: OCC-2025-0372: 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

To Whom It May Concern:

Paradigm Operations LP ("**Paradigm**") appreciates the opportunity to comment on the proposed rulemaking ("**Proposed Rule**") by the Office of the Comptroller of the Currency ("**OCC**") regarding the issuance of payment stablecoins and certain related activities by entities subject to the OCC's jurisdiction under the Guiding and Establishing National Innovation for U.S. Stablecoins Act ("**GENIUS Act**").

As a frontier-technology investment firm that invests and builds in crypto, AI, robotics, and across new frontiers from the earliest stages,[1] Paradigm is committed to ensuring that permitted payment stablecoin issuers ("**PPSIs**") have a clear pathway to compete with market incumbents and deliver innovative solutions to American consumers and businesses. In that spirit, this letter respectfully provides feedback regarding certain parts of the Proposed Rule that could competitively disadvantage PPSIs and undermine the pro-consumer and pro-competitive benefits that Congress sought to foster through the GENIUS Act. Specifically, our letter provides feedback on the following topics: (1) appropriately constraining and then clearly defining the parameters of the interest and yield prohibition, (2) enabling white-label arrangements, (3) alleviating unnecessarily onerous reporting burdens, and (4) accounting for multi-chain stablecoin operations.

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I. Clearly Defining the Parameters of the Interest and Yield Prohibition

Background:

In questions 35, 36, 37, 38, and 39, the OCC requested comment on various aspects of the GENIUS Act's "yield prohibition," which provides that "[n]o permitted payment stablecoin **issuer** or foreign payment stablecoin **issuer** shall pay the holder of any payment stablecoin any form of interest or yield (whether in cash, tokens, or other consideration) **solely in connection** with the

[1] More information about Paradigm is available online at https://www.paradigm.xyz/.

holding, use, or retention of such payment stablecoin" (emphasis added).[2] This prohibition applies to two categories of entities: PPSIs and foreign payment stablecoin issuers.

The Proposed Rule departs from this statutory text in two significant respects: (1) it extends the prohibition to affiliates and "related third parties" that have contracts or agreements with PPSIs, and (2) it creates an atextual rebuttable presumption under which certain arrangements involving affiliates or third parties are treated as if the *PPSI itself* were paying interest or yield, shifting the burden to the issuer to prove otherwise.

Paradigm's Response:

As an initial matter, the application of any yield restriction to entities beyond PPSIs and foreign payment stablecoin issuers finds no support in the Act's plain text. Accordingly, the OCC should withdraw the proposal *at least* as it concerns "related third parties." Even assuming that the OCC's proffered evasion-risk rationale justifies extending the prohibition to "affiliates," that rationale does not support further extension to entities not under common ownership or control of an issuer. And regardless of whether the OCC retains the unsupported application of these provisions to related third parties, Paradigm urges the OCC to provide significantly more clarity regarding the rebuttable presumption's "safe harbors," which is necessary to ensure certainty that the OCC will adhere to Congress's intent now and in the future. And lastly, Paradigm further recommends that the OCC adopt safeguards for issuers who rely in good faith on the Final Rule's safe harbors or related OCC guidance.

1. *The OCC Cannot Expand the Act's Yield Prohibition Without Congressional Authorization*

The GENIUS Act specifically lists the entities that are barred from paying interest and yield: PPSIs and foreign payment stablecoin issuers. Notably, the GENIUS Act never explicitly states or even implicitly suggests any support for extending the yield prohibition to "related third parties." Congress's decision not to expand the prohibition further was not an oversight. It legislated against a backdrop of existing market arrangements in which independent intermediaries, including prominent exchanges, offered stablecoin-associated incentives or rewards to their users without direction from the issuer. Regulation of these arrangements was the subject of significant, painstaking negotiations among members of Congress and industry stakeholders, and the resulting statutory text reflects Congress's express rejection of attempts to extend the yield prohibition to those third parties.[3] Where, as here, Congress has spoken clearly to the precise question at issue—identifying the specific entities subject to the yield prohibition—the OCC's role is to implement that text, not supplement it. Under *Loper Bright*, courts will review the statute's scope de novo and without deference to the OCC's contrary construction and it should not invite scrutiny by extending the yield prohibition beyond the entities Congress identified.[4]

[2] 12 U.S.C. § 5903(a)(11).
[3] *See* 171 Cong. Rec. S3275, S3287 (daily ed. June 9, 2025) (reflecting Senator Warren's failed attempt to amend the GENIUS Act to prohibit any "*person*" from paying interest or yield to holders); 171 Cong. Rec. S3239, S3257 (daily ed. June 5, 2025) (reflecting Senator Hickenlooper's rejected amendment that would prohibit issues from "directly or *indirectly* pay[ing]" holders interest or yield) (emphasis added).
[4] *Loper Bright Enters. v. Raimondo*, 603 U.S. 369, 400–01 (2024).

Congress's own drafting choices within the GENIUS Act confirm this point. Section 4(a)(2) of the Act prohibits issuers from rehypothecating reserve assets "*either directly or indirectly*."[5] That language is noticeably absent from the yield prohibition and the negative inference is clear: Congress knew how to capture indirect arrangements when it thought doing so was necessary to accomplish the Act's aims. Its decision to use different language in the yield prohibition, thus limiting the prohibition to issuers, should not be overridden through rulemaking. Indeed, as noted above, Supreme Court precedent bars the OCC from expanding a statute's scope through rulemaking, and attempting to do so will invite the very legal challenges and market uncertainty the GENIUS Act was designed to mitigate.

Paradigm acknowledges the OCC's concerns that issuers will attempt to circumvent the yield prohibition. But extending the prohibition to "related third parties" that are neither issuers nor under common control of an issuer does not provide a regulatory benefit warranting such stark deviation from the statutory text. Recent analysis from the White House Council of Economic Advisors found that prohibiting stablecoin-related rewards would generate only a marginal increase in bank lending—on the order of two-hundredths of a percent—while imposing roughly $800 million in net welfare costs on the economy.[6] A textually faithful reading of the Act would avoid this perverse and lopsided tradeoff, underscoring why the OCC should not extend the prohibition beyond the entities Congress identified.

The Proposed Rule also acknowledges the need for a limiting principle where corporate control is lacking: footnote 47 expressly states that "a person would not be included within [the rebuttable presumption's] second prong solely because the person is an affiliate of an affiliate of the issuer."[7] Paradigm agrees and, in fact, recommends the OCC codify that point directly in the regulatory text. But the same logic dictates that the yield prohibition should also not extend to entities that have no corporate relationship with an issuer and which merely operate within the same ecosystem through arms-length commercial relationships. Otherwise, the yield prohibition would chill many commercial arrangements that Congress declined to prohibit, undermining the broader GENIUS regime in the process.

2. *The OCC Should Clarify the Scope of the Safe Harbor Provision*

Paradigm also strongly recommends that the OCC better define which activities fall within the Act's safe harbor provision. Absent such guidance, the presumption will generate exactly the market uncertainty the OCC has stated it seeks to avoid.

First, at a minimum, the OCC should clarify that the presumption does not cover arrangements that were well-known and existing at the time of the GENIUS Act's enactment. Again, Congress was aware of these arrangements and its decision not to prohibit them in the statute's text should not be overridden by a regulatory presumption. Examples of these safe harbors should include at least:

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[5] 12 U.S.C. § 5903(a)(2).

[6] *Effects of Stablecoin Yield Prohibition on Bank Lending*, White House Council of Economic Advisers (Apr. 8, 2026), https://www.whitehouse.gov/research/2026/04/effects-of-stablecoin-yield-prohibition-on-bank-lending/.

[7] 91 Fed. Reg. 10202, 10212 (Mar. 2, 2026).

- Rewards that a third party such as a wallet provider, exchange, or payment platform independently decides to provide;

- Payments or rewards that are not tied to the amount of payment stablecoins held, which do not fall within the prohibition's definition of "interest" or "yield";

- Payments or rewards made by "an affiliate of a PPSI's affiliate," tracking the Proposed Rule's language in footnote 47; and

- Rewards programs that may consider stablecoin holding as one factor among several, but which are not paid "solely"[8] in connection with holding—tracking the statute's actual limiting language.

Second, the OCC should provide additional safe harbors that protect—without the time, resources, and potential for manipulation presented by rebutting the Proposed Rule's presumption—the payment of rewards[9] that bear no resemblance to the interest-bearing bank accounts that were the GENIUS Act drafters' primary concerns. In particular, the following categories of payments should be explicitly confirmed as permissible in the Final Rule given that they do not constitute "interest or yield" and are not made "solely" in connection with the holding, use, or retention *by the holder* of a payment stablecoin:

- Rewards or incentives tied to discrete, identifiable transactional activity by the holder—including facilitating transactions, payments, transfers, conversions, remittances, or settlement activity—where the reward is calculated on a per-transaction basis;

- Payments in recognition of a holder providing liquidity for market-making activity with other holders or third parties, posting collateral to facilitate trading with other holders or third parties, or otherwise putting assets at credit or investment risk in multi-party transactions; and

- Rewards in connection with participating in governance, validation, or staking of a payment stablecoin, where the reward compensates the holder for active participation rather than passive holding.

If the OCC retains the presumption without explicitly defining these safe harbors, Paradigm urges the agency to at least narrow the presumption's application to instances in which the issuer *actively directed* an affiliate or third party to provide yield solely in connection with stablecoin holding.

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[8] Courts generally interpret the word "solely" as "exclusively" or "only," consistent with the term's ordinary meaning. *See Thomas v. Metropolitan Life Ins. Co.*, 631 F.3d 1153, 1162 (10th Cir. 2011) (defining the word "solely" as meaning "exclusively or only" in the context of the "broker-dealer" exemption under the Investment Advisers Act); *Milbourne v. JRK Residential Am., LLC*, 92 F. Supp. 3d 425, 432 (E.D. Va. 2015) (defining "solely" to mean "to the exclusion of all else" when interpreting a requirement under the Fair Credit Reporting Act that a disclosure document must consist "solely" of the disclosure as strictly precluding the submission of other documents with the disclosure).

[9] Paradigm appreciates that the Proposed Rule includes no mention of "rewards," which is consistent with the text of the Act. For the avoidance of doubt, Paradigm believes that the answer to the final portion of Question 38—which asks "[w]hat types of rewards, if any, should be subject to the [yield] prohibition" and is the only reference to "rewards" in the NPRM—is "none."

This would preserve the OCC's ability to address genuine evasion while minimizing the presumption's inevitable chilling effect on legitimate commercial arrangements.

3. *The OCC Should Adopt a Good Faith Reliance Safe Harbor and Enforcement Cure Period*

Lastly, even if the OCC provides the clarity Paradigm has recommended in Sections 1 and 2 above—and especially if it does not—the Final Rule should include procedural protections for issuers that structure reward or other incentive programs in good faith reliance on the Final Rule's framework, including an opportunity to cure a potential violation before being subjected to civil money penalties.

Absent these protections, stablecoin innovators are vulnerable to future administrations' weaponization of the OCC's broad discretion under the Proposed Rule. A future OCC could, for example: (i) take enforcement action against issuers that did not pre-clear minor aspects of third-party reward programs, (ii) refuse to approve pre-clearance yield proposals even when supported by "sufficient evidence," or (iii) leverage minor deviations from arrangements approved by prior administrations as a basis to unwind programs altogether. These are not alarmist scenarios; they are the predictable consequence of combining a broad, discretionary presumption with an enforcement regime that lacks formal procedural safeguards. Such regulation-by-enforcement is particularly dangerous for early-stage entrants that lack resources to defend against protracted enforcement proceedings.

To address this risk, the OCC should incorporate two complementary protections in the Final Rule. First, it should provide a safe harbor for covered parties that structure a rewards program in good faith based on the Final Rule's framework, including any safe harbors, examples, or guidance the OCC has provided. Under this safe harbor, a party would be immunized from enforcement actions for violations arising from that reliance. Second, the Final Rule should incorporate a 90-day enforcement cure period. Under this provision, once the OCC identifies a potential violation, it must notify the covered party in writing and afford the party ninety days to cure the violation before any civil money penalty may be assessed. The cure clock should begin no earlier than the effective date of the GENIUS Act, and could expressly exclude violations substantially similar to a past violation by the same issuer. This carve-out would prevent sophisticated actors from cycling through the safe harbor to avoid accountability and would ensure the protection is limited to good-faith, first-time disagreements or misunderstandings rather than strategic noncompliance.

Moreover, these protections are consistent with the GENIUS Act's structure and purpose. The Act's enforcement regime is modeled on traditional banking enforcement tools, which vest the OCC with broad discretion over how and when to initiate enforcement actions. A formal notice-and-cure framework for first time violations by good faith actors falls within that statutorily-prescribed discretion. The OCC does not need additional statutory authorization to refrain from assessing penalties immediately upon identifying a violation; these provisions would simply formalize the supervisory forbearance which responsible regulators already practice.

These protections are also consistent with the GENIUS Act's underlying policy rationale. The GENIUS Act creates a novel regulatory regime for entities that may never have been federally supervised. Strict-liability enforcement without a cure period would deter market entry and investment in compliance infrastructure—outcomes directly contrary to the Act's purpose. And a

good-faith reliance safe harbor will reduce the chilling effect of enhanced compliance costs without limiting the OCC's ability to pursue willful or repeat violations. The OCC should adopt these provisions in the Final Rule, allowing the agency to calibrate the provision to its own supervisory context and demonstrate its commitment to providing the regulatory predictability that responsible market entry requires.

II. The OCC Should Not Restrict Issuers to a Single Stablecoin Brand

Background:

The Proposed Rule does not prohibit PPSIs from offering more than one brand of payment stablecoin under a practice known as white-labeling, in which the issuer handles issuance, reserve management, and compliance while distribution partners market the stablecoin under their own brands. In Question 172, however, the OCC asks whether the final rule should impose that restriction by limiting each PPSI to a single stablecoin brand. Question 90 separately asks how reporting requirements should be modified if white-label arrangements are permitted.

Paradigm's Response:

Paradigm recommends that the OCC decline to adopt a single-brand restriction. The agency lacks statutory authority to do so, the restriction is unnecessary to address the OCC's practical concerns, and it would inflict particular harm on new and early-stage PPSIs. If the OCC does adopt a single-brand restriction, it should clarify that this limitation does not also require per-brand *infrastructure* separation.

1. *The GENIUS Act Does Not Authorize a Single-Brand Restriction*

As an initial matter, a single-brand restriction is supported by neither the Act's text or structure. Nothing in the Act contemplates restricting the number of brands an issuer can operate. For the same reasons noted above, imposing that restriction through rulemaking would thus exceed the OCC's authority under the Act and risks subjecting the Final Rule to protracted legal challenge and market uncertainty.

A single-brand restriction would also be inconsistent with the GENIUS Act's directive that the OCC promulgate regulations "in coordination" with other "primary Federal payment stablecoin regulators."[10] The FDIC recently took the opposite approach in its own proposed rulemaking, expressly contemplating that a stablecoin issuer "may issue multiple brands of distinct payment stablecoin."[11] Adopting a single-brand restriction here would create precisely the kind of inter-agency divergence the GENIUS Act's coordination directive was designed to prevent, and would frustrate the Act's intent to establish a uniform federal regulatory regime across PPSIs.

[10] 12 U.S.C. § 5903(h)(2).
[11] GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions, 91 Fed. Reg. 18,534, 18,541 (Apr. 10, 2026).

2. *Disclosure and Reserve Segregation and Programmable Compliance Tools are Better Regulatory Tools Than a Categorical Ban*

The OCC has articulated two primary concerns with white-labeling: (i) consumer confusion about which entity actually backs the stablecoin, and (ii) risk that a default affecting one white-label product could trigger a run across all products from the same PPSI. It bears mentioning briefly that it is not at all clear that either concern is valid: consumer holders of a defaulting token are exceedingly unlikely to look past the named distributor, discover that their payment stablecoin shares a common issuer with some other token, and then start a run on that otherwise unrelated coin. Indeed, despite the existence of white-label arrangements currently in the market, there is no evidence to support such a concern. But even if the OCC's articulated concerns are legitimate, they can be addressed through other less restrictive means, and without banning white-labeling altogether.

Specifically, the OCC can address consumer confusion through disclosure requirements, consistent with how regulators handle analogous risks in traditional banking and payments products, such as co-branded prepaid cards. Regulators have addressed the associated risks not by restricting banks to a single brand partner, but by mandating disclosure to customers regarding the identity of the issuing bank and the treatment of customer deposits in the context of deposit insurance.[12] The OCC should follow the same approach with regard to white-labeled stablecoins.

Furthermore, the most effective means of mitigating run risk, to the extent it exists, is through conservative and diversified reserve management, which PPSIs are already required to do under the Act and the Proposed Rule. To the extent that PPSI supervisors perceive heightened liquidity or other risks in a white-label issuer's reserve portfolio, they should communicate to the PPSI through the supervisory process that more conservative reserve allocation is expected. In addition, a PPSI can track the reserves of each brand via subledgering within the reserve accounts it maintains, similar to omnibus custody arrangements offered by securities intermediaries. This would enable the PPSI to report separate reserves for each brand, which it could do publicly or in regulatory reports.

3. *A Single-Brand Restriction Would Disproportionately Harm New Entrants*

The OCC's single-brand restriction would also impose disproportionate burdens on early-stage PPSIs without any corresponding regulatory benefit. For an early-stage issuer, white-labeling may be the most viable path to market given the strong network effects that incumbent issuers enjoy. A single-brand restriction would eliminate that path entirely, concentrating the market among incumbents with the resources to reinforce their standalone brands.

The OCC has suggested that the restriction would be manageable because "multiple permitted payment stablecoin issuers could share certain services and back-office functions with each other and might operate under a common risk management framework, but each issuer would be legally separate."[13] But in practice, this workaround defeats its own purpose. Each legally separate issuer would need its own charter, its own capital, its own compliance infrastructure, and its own reserve management even if some back-office functions are shared. The result is duplicated fixed costs,

[12] *See* 12 C.F.R. § 328.102.
[13] 91 Fed. Reg. 10202, 10213 (Mar. 2, 2026).

increased operational complexity, and reduced market entry—the opposite of the competitive ecosystem the GENIUS Act aims to foster.

4. *A Single-Brand Restriction at the Issuer Level Should Not Require Separation at the Infrastructure Level*

To the extent the Final Rule includes any restrictions on white-labeling, it should also make explicit that its issuer and custodian requirements attach to the issuer and custodian *functions*, as opposed to the underlying protocol infrastructure on which issuers operate. A blockchain protocol that processes and validates transactions but does not hold reserves, does not exercise discretion over customer funds, and does not issue stablecoins in its own name is not performing the "permitted payment stablecoin issuer" or "custodian" function that the GENIUS Act regulates, and it should not be treated as if it were.

Maintaining that distinction is critical to the ongoing growth and resilience of payment stablecoin use cases. A single blockchain protocol can be designed to support multiple stablecoin brands simultaneously, with each brand's reserves tracked and segregated through programmable controls built into the tokens themselves. The protocol provides the shared infrastructure, while the issuer uses that infrastructure to issue and manage its products. That structure is analogous to multiple banks using the same payment network or clearing system to process transactions; the shared infrastructure does not merge the banks' separate operations, and properly regulating the banks does not require regulating the network as if it were a bank.

Accordingly, per-brand *technical* separation requiring each brand to run on its own separate blockchain with separate compliance systems would result in an enormous duplication of infrastructure with no corresponding regulatory benefit. The consumer protection goals the OCC aims to achieve—ensuring that holders of one brand are not harmed by potential problems with another—is already achievable through token-level ring-fencing on shared infrastructure and programmable compliance controls at the token level. Requiring additional, per-brand infrastructure on top of that would thus impose substantial costs on both issuers and infrastructure providers without making holders any safer.

III. The Proposed Rule's Weekly Reporting Requirements Are Unduly Burdensome

Background:

The Proposed Rule requires issuers to submit weekly reports covering eight categories of information: issuance and redemption activity, trading volume, reserve asset composition, blockchain listings, outstanding issuance value, secondary market activity and price movement, redemption volume and times, and detailed reserve asset data. In Questions 131 and 196, the OCC asks whether these categories are appropriate, whether certain categories should be reported less frequently, and whether the weekly cadence is sufficient or would be too burdensome.

Paradigm's Response:

The Proposed Rule's weekly reporting requirements are unnecessarily onerous in light of the Act's and the OCC's objectives, particularly for smaller issuers, and are vulnerable to abuse by future administrations. Particularly at a time when other agencies are considering updates to even

quarterly reporting obligations in order to ensure U.S. competitiveness,[14] the weekly reporting requirement should be removed or replaced by a monthly cadence, which would ideally align with the monthly reporting required elsewhere in the Proposed Rule.

1. *The Uniform Weekly Cadence is Disproportionate for Smaller Issuers*

The OCC has stated that "the information requests [are] currently tracked on a regular basis by stablecoin issuers."[15] Even if true, those reporting requirements will become burdensome if required weekly. Producing weekly reports across eight data categories requires significant fixed investment in analytics and compliance infrastructure. That investment may be proportionate for an issuer with billions of dollars in outstanding stablecoins and the revenue to absorb it. It is not proportionate, however, for an early-stage issuer, for whom the cost of the reporting system may eclipse the revenue the product generates. The result is that the incumbents absorb the cost as overhead, while new entrants must divert scarce resources from core business development to compliance infrastructure or decide not to enter the market at all. This result undermines the Act's purpose of increasing stablecoin adoption and fostering competition.

2. *The Proposed Framework is Vulnerable to Administration Change*

Additionally, these reporting requirements are susceptible to unreasonable revision by a future administration hostile to stablecoin issuers of any size. For example, the Proposed Rule contemplates submission of weekly reports through a standardized form. As drafted then, a future OCC could modify this form without amending the finalized rule and, in so doing, expand the scope, granularity, or complexity of the Proposed Rule's reporting requirements without going through notice-and-comment rulemaking. In the hands of an administration with a hostile stance towards digital assets, this malleable form provides a means for ratcheting up compliance burdens on issuers without public input or congressional oversight. The OCC should address this risk by specifying the reporting categories and their required level of detail in the rule text itself, rather than delegating those decisions to a form that can be modified administratively.

3. *The OCC Should Adopt a Monthly Reporting Model*

In addition to fixing the categories of information required on the proposed form, the OCC could require issuers to report the identified categories on, at most, a monthly basis, which would ideally align with when issuers are already required to publish and submit reserve composition data under the Act. This would substantially reduce the operational burden on all issuers while achieving the OCC's supervisory objectives effectively.

[14] Jim Moloney, Dir., Div. of Corp. Fin., U.S. Sec. & Exch. Comm'n, *Coming Attractions From the Division of Corporation Finance* (Feb. 13, 2026) (noting that the "Division staff is currently working on advancing our rulemakings as quickly as possible," focusing on priorities including "creating an option for semi-annual, rather than quarterly, reporting").
[15] 91 Fed. Reg. 10202, 10225 (Mar. 2, 2026).

IV. The Proposed Rule Should Account for Multi-Chain Stablecoin Operations

Request for Comment:

Section 12 of the GENIUS Act directs the primary federal payment stablecoin regulators to assess and potentially prescribe standards promoting compatibility and interoperability between PPSIs and "the broader digital finance ecosystem, including accepted communications protocols and blockchains, permissioned or public."[16] In Question 208, the OCC asked which factors regulators should consider in determining potential interoperability standards and whether such standards would "help to broaden adoption of stablecoins."

Paradigm's Response:

One of the key, long-term value propositions of stablecoins is that they do not need to exist on a single distributed ledger or operate in a single-token environment. Indeed, many stablecoins are already designed to operate across multiple blockchains simultaneously, with reserve accounting that must track aggregate outstanding supply across chains. This multi-chain architecture is a core feature of the technology and one of the primary reasons stablecoins can facilitate faster and more efficient payments than traditional infrastructure. Nonetheless, some references in the Proposed Rule appear to presume that a given payment stablecoin may exist only on a single distributed ledger.[17] Accordingly, Paradigm recommends several specific changes to the Proposed Rule to facilitate this multi-chain operability.

First, Paradigm recommends that the OCC define what constitutes a permitted "transfer from one distributed ledger to another." Cross-chain bridges and atomic swaps are standard mechanisms for moving stablecoins between blockchains. These transfers do not create new stablecoins—they move existing ones. The Final Rule should clarify that these operations are treated as routine payment activity, not as new issuances subject to separate reserve and reporting obligations.

Second, the OCC should identify several key factors that would govern interoperability standards. The OCC could eventually elaborate on these factors in guidance, similar to how the FFIEC formulated risk management guidance in the analogous context of open source software.[18] When deciding whether to support a new blockchain in a multi-chain arrangement, key factors may include (1) the operational resilience of the new blockchain, (2) the issuer's ability to comply with regulatory requirements in connection with the new blockchain, (3) technical compatibility issues between the new blockchain and other supported blockchains, (4) governance decisions involving the new blockchain, and (5) settlement finality relating to the blockchain's consensus mechanism.

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[16] 12 U.S.C. § 5912(2).
[17] See 91 Fed. Reg. 10202, 10202 (Mar. 2, 2026) ("Stablecoins are digital assets, *i.e.,* digital representations of value recorded on a cryptographically secured distributed ledger").
[18] Federal Financial Institutions Oversight Council, *Risk Management for the Use of Free and Open Source Software* (Oct. 27, 2004), *available at* https://www.occ.gov/news-issuances/bulletins/2004/bulletin-2004-47.html.

Paradigm appreciates the OCC's consideration of our comments. If you have any questions or would like to discuss these comments further, please reach out to Stefan@paradigm.xyz.

Sincerely,

/s/ *Stefan Schropp*
Stefan Schropp
Senior Regulatory Counsel
Paradigm Operations LP