KPMG

Regulatory Alert

Regulatory Insights



November 2026

GENIUS Act: OCC Applications and Waivers

KPMG Regulatory Insights:

Application Readiness: *Application submissions will be accepted prior to the January 18, 2027, effective date; no entity subject to OCC jurisdiction under the GENIUS Act, including current stablecoin issuers, may issue payment stablecoins after the effective date without OCC approval.*

Crossborder Access: *Foreign issuer registration calls for evidence of a comparable supervisory regime, access to compliance information, and consent to U.S. jurisdiction—making regulatory alignment and transparency central to market entry.*

Transition Planning: *Temporary waivers may support operational continuity for qualifying existing U.S. issuers with substantially complete applications; early application and waiver preparation is important; relief is not automatic.*

The Office of the Comptroller of the Currency (OCC or agency) has released guidance on the application/licensing and related waiver process for entities seeking approval to issue payment stablecoins in the U.S. under the GENIUS Act. The guidance summarizes and references the application requirements and review processes as set out in the OCC's final implementing rules (see KPMG Regulatory Alert here). The GENIUS Act and the OCC's final rules take effect on January 18, 2027.

To facilitate the application/licensing process, the OCC has submitted the application forms to the Office of Management and Budget (OMB) for approval as required by the Paperwork Reduction Act of 1995 (hereinafter referred to as the proposed information collection). The forms cover submissions for approval to operate as a Permitted Payment Stablecoin Issuer (PPSI) and to register as a Foreign Payment Stablecoin Issuer (FPSI) permitted to issue payment stablecoin in the United States. The OCC intends to begin accepting applications in advance of the effective date following OMB approval. The OCC will announce when it commences accepting applications and waiver requests through a press release.

Key components of the OCC final rule and related guidance include:

- Applicability
- PPSI Application Requirements
- FPSI Registration Requirements
- Waivers

This Regulatory Alert is based on the OCC final rule provisions and the guidance provided in the OCC's press release covering the applications and waivers process.

KPMG

© 2026 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Paperwork Reduction Act

The Paperwork Reduction Act requires federal agencies to justify collecting information from the public by establishing the need and intended use of the information, estimating the paperwork burden to result from the information collection, and providing for public input on each proposed collection. The OMB is tasked with reviewing and approving agency information collections. Agencies must provide an initial public notice with a 60-day comment period for any proposed information collection followed by a second public notice with a 30-day comment period. The OMB must decide whether to approve the information collection within 60 days after the closing of the second public notice comment period.

Applicability

The proposed information collection applies to national banks, federal savings associations, and federal branches that seek to issue payment stablecoins through a subsidiary; nonbank entities, unsured national banks, and uninsured federal branches that seek to be or are approved as federal qualified payment stablecoin issuers; foreign payment stablecoin issuers seeking to issue payment stablecoins in the U.S. (FPSIs); and state qualified payment stablecoin issuers (state nonbank entities with an outstanding payment stablecoin issuance value of more than $10 billion) for whom the OCC has regulatory or enforcement authority pursuant to the GENIUS Act. Collectively, these entities are considered PPSIs though application/licensing requirements may differ based on the type of entity (e.g., foreign qualified payment stablecoin, FPSI).

Beginning January 18, 2027, an entity generally must be approved as a PPSI before issuing a payment stablecoin in the United States. However, the final rule provides that PPSIs with "substantially complete" applications pending with the OCC on or before January 18, 2027, may request in writing that the OCC waive requirements of the GENIUS Act or final rule, as discussed further in the "Waivers" section below.

The OCC notes that issuing payment stablecoins without the required approval may result in criminal penalties.

PPSI Application Requirements

***Application Requirements*.** Under the OCC's final rule, domestic entities seeking PPSI status must file and submit applications to the OCC that are fully responsive to the questions and documentation requirements included in the relevant application forms.

The OCC notes the relevant information would include "sufficient detail" on the applicant's:

- Proposed business plan
- Management team
- Reserve assets
- Issuance and redemption processes
- Risk management
- Capital and liquidity
- Use of shared services model
- Bank Secrecy Act/Anti-Money Laundering/Office of Foreign Assets Control
- Third-party risk management
- Enterprise risk management
- Compliance risk management
- Audit functions

Applicants would also be required to ensure that each director, executive officer and principal shareholder submits the information prescribed in the OCC's Interagency Biographical and Financial Report and the Corporate Background and Financial Report, as appropriate.

And applicants must certify:

- That the filings or supporting material submitted to the OCC contain no material misrepresentations or omissions.
- Whether section 4(a)(12) of the GENIUS Act (12 U.S.C. 5903(a)(12)), which sets additional requirements for non-financial services public companies, applies to the applicant.

Review factors. An application is deemed "substantially complete" if it contains sufficient information for the OCC to render a decision on whether the applicant satisfies these factors:

- The ability of the applicant (or the subsidiary of the applicant), based on financial condition and resources, to meet the requirements for issuing payment stablecoins under the final rule.
- Whether any officer or director of the applicant has been convicted of a felony offense involving insider trading, embezzlement, cybercrime, money laundering, financing of terrorism, or financial fraud.
- The competence, experience, and integrity of the officers, directors, and principal shareholders of the applicant, its subsidiaries, and parent companies,

KPMG

© 2026 KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights

including their record of compliance with laws and regulations, and ability to fulfill any commitments imposed by the OCC.

- Whether the redemption policy meets the standards established in the final rule.
- The ability of the applicant (or the subsidiary of the applicant) to conduct its proposed activities in a safe and sound manner, including whether the proposed structure "adequately" addresses run risks and "adequately" ensures the ability to redeem payment stablecoins.

Review approval. The OCC may approve, conditionally approve, or deny a substantially complete application based on a review of the factors.

Consistent with the GENIUS Act and the final rule, the OCC will notify an applicant within 30 days of receiving an application whether it is substantially complete and, if not, identify the missing information. The OCC will make another completeness determination within 30 days of receiving the requested information and will return the application without a decision if it remains incomplete 60 days after the initial notice. Once an application is substantially complete, the OCC may approve, conditionally approve, or deny it based on the specified review factors; however, the OCC may deny the application only if it determines, based on those factors, that the applicant's proposed activities would be unsafe or unsound. Unless denied earlier, the application is deemed approved on the 120th day after the OCC receives the substantially complete application.

Applicants whose substantially complete applications are denied may request a written or oral hearing within 30 days of receiving the denial; if no timely appeal is made, the OCC will notify the applicant that the denial is final. For a timely appeal, the Comptroller or an authorized delegate will conduct a de novo review and may uphold or reverse the initial denial, with a written final determination issued within 60 days of the hearing. A denial does not preclude the applicant from subsequently filing a new application.

FPSI Registration Requirements

Application Requirements. The OCC's final rule permits certain FPSIs to register with the OCC and make payment stablecoins available in the United States. Such FPSIs must be subject to a regulatory and supervisory regime comparable to the GENIUS Act, registered with the OCC, hold sufficient reserves in eligible U.S. financial institutions to meet U.S. customer liquidity demands (unless otherwise permitted under a Treasury reciprocal arrangement), and be domiciled and regulated in a country not subject to comprehensive U.S. economic sanctions or designated by Treasury as a jurisdiction of primary money laundering concern.

In particular, FPSI applicants are expected to provide:

- All information required by the application forms.
- Evidence that the Secretary of the Treasury has determined the applicant is subject to a regulatory supervisory regime comparable to the GENIUS Act with respect to payment stablecoins.
- Consent to U.S. jurisdiction relating to enforcement of the GENIUS Act and the OCC regulations.
- Certifications that:
  - The applicant will make available to the OCC all information that the OCC deems necessary to determine and enforce compliance with the GENIUS Act and OCC regulations.
  - Any filing or supporting material submitted to the OCC contains no material misrepresentations or omissions.
  - Acknowledge whether section 4(a)(12) of the GENIUS Act (12 U.S.C. 5903(a)(12)), which sets additional requirements for non-financial services public companies, applies to the applicant.

Review Factors. The OCC will consider the following factors when evaluating an application for registration of an FPSI:

- The Secretary of the Treasury's determination that the FPSI is subject to a regulatory and supervisory regime comparable to the GENIUS Act with respect to payment stablecoins.
- The financial and managerial resources of the U.S. operations of the FPSI.
- The ability of the applicant to conduct its proposed activities in a safe and sound manner, including whether the proposed structure adequately addresses run risks and adequately ensures the ability to redeem payment stablecoins.
- Whether the FPSI:
  - Will provide adequate information to the OCC to determine compliance with the GENIUS Act and the OCC rules.
  - Presents a risk to the financial stability of the U.S., including risks relating to ensuring timely redemption for U.S. customers.
  - Presents illicit finance risks to the United States.

Review Approval. The OCC may approve, conditionally approve, or reject an application under this section based on a review of the factors.

© 2026 KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights

Waivers

Consistent with the GENIUS Act and the OCC's final rule, the OCC states that it generally expects to grant requests for waivers from "the prior approval requirement" for existing payment stablecoin issuers currently operating in the U.S. unless the OCC's review of the waiver request identifies more compelling reasons to deny the request. The waiver would be available to a subsidiary of an insured depository institution that has a substantially complete application to become a PPSI, and a nonbank entity, uninsured national bank, or uninsured federal branch that has a pending substantially complete application to become a federal qualified payment stablecoin issuer, on or before January 18, 2027. The OCC adds that it has not identified compelling, generally applicable reasons to grant waivers for stablecoin issuers or prospective stablecoin issuers who are not currently operating or issuing in the United States.

Waiver requests must be in writing; the OCC may grant a waiver for a period not to exceed 12 months, if it finds that the waiver is in the public interest or that it is justified by "extraordinary circumstances;" furthermore, the OCC expects to limit the length of its waivers to reflect the time necessary to address the reasons for granting the waiver.

The OCC encourages qualifying applicants to submit waiver requests as soon as practicable after the agency begins accepting applications and waiver requests. The agency also states that it expects to evaluate waiver requests and generally act on them by January 18, 2027.

For more information, please contact Chad Polen or Andrew Devlin.

Contact



Laura Byerly
Managing Director
Regulatory Insights
lbyerly@kpmg.com



Brian Hart
Principal
Risk, Regulatory and Compliance
bhart@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us: **kpmg.com**

© 2026 KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.