# GENIUS Act: Regulatory Alerts

*The Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act), signed into law in July 2025, establishes a regulatory framework for "payment stablecoins"—generally defined as digital assets redeemable at a fixed monetary value and used for payments or settlement. Since then, federal and state regulators have issued proposals to implement key provisions of the GENIUS Act.*

*The GENIUS Act will take effect on the earlier of January 18, 2027, or 120 days after the primary federal regulators issue any final regulations to implement the Act.*

## Looking Ahead

*Expect additional rulemaking activity to include:*

- *FRB proposals to implement licensing, issuance, and operating requirements*
- *Treasury proposals governing foreign payment stablecoin issuers*
- *Final Rules from Treasury and the federal payment stablecoin regulators*[1]

*More broadly related to digital assets, potential market structure legislation continues to be considered (e.g., CLARITY Act).*

## Key Provisions of the GENIUS Act

- *Licensing of Permitted Payment Stablecoin Issuers*
- *Requirements for Issuing Payment Stablecoins*
- *Capital, Liquidity, and Risk Management Requirements*
- *Compliance with Bank Secrecy Act and Sanctions Laws*

For a one-stop-shop for Regulatory Alerts related to the GENIUS Act, visit the webpage:
*GENIUS Act: Regulatory Alerts*

*[1]OCC has publicly stated their plan to issue final rules by November 2026.*

| Release Date | Regulatory Alert | Description | Key Provisions of the GENIUS Act | | | |
|---|---|---|---|---|---|---|
| | | | Licensing of Permitted Payment Stablecoin issuers | Requirements for Issuing Payment Stablecoins | Capital, Liquidity and Risk Management Requirements | Compliance with BSA and Sanctions Laws |
| **Jun 2025** | GENIUS Act: Payment Stablecoin Framework – Senate Approves | Establishes a regulatory framework for payment stablecoins – Senate approval. | ✓ | ✓ | ✓ | ✓ |
| **Jul 2025** | Crypto and Digital Assets: Final GENIUS Act and Other Actions | Establishes a regulatory framework for payment stablecoins – full congressional approval. | ✓ | ✓ | ✓ | ✓ |
| **Dec 2025** | FDIC Proposal: Application Process for Payment Stablecoin Issuers | Would implement procedures to obtain approval (license) to issue payment stablecoins and engage in certain related activities. | ✓ | | | |
| **Feb-Apr 2026** | FDIC/NCUA/OCC Proposals for Applications, Prudential Frameworks | Outlines proposed application and licensing requirements. | ✓ | | | |
| | | Outlines proposed operating requirements for IDIs and PPSIs. | | ✓ | ✓ | ✓ |
| **Apr 2026** | Treasury Proposal on State-Level Regulatory Regimes | Looks to establish broad-based principles for determining when a state-level regulatory regime is “substantially similar” to a federal regulatory framework. | ✓ | ✓ | ✓ | ✓ |
| **Apr 2026** | FinCEN/OFAC Proposal on AML/CFT and Sanctions Compliance | Would add PPSIs as a BSA covered financial institution and implement AML/CFT and sanctions compliance program requirements for them. | | | | ✓ |
| **May 2026** | NCUA Proposal on Payment Stablecoin Issuance by Credit Union-Affiliated Entities | Would create requirements for PPSIs that are subsidiaries of federally insured credit unions (FICUs). | | ✓ | ✓ | ✓ |
| **Jun 2026** | FinCEN/FDIC/FRB/NCUA/OCC Customer Identification Program Proposed Rule | Would require customer identification programs under Bank Secrecy Act for PPSIs. | | | | ✓ |
| **Jun 2026** | NY Payment Stablecoin Proposed Rule | Proposal outlines requirements for NY- “authorized payment stablecoin issuers” consistent with all GENIUS Act provisions. | ✓ | ✓ | ✓ | ✓ |
| **Jun-Jul 2026** | OCC/FDIC Proposed Reporting Forms for PPSIs | Proposed information collection and reporting on reserve asset requirements for PPSIs and FPSIs. | | | ✓ | |
| **Aug 2026** | GENIUS Act: Treasury Proposal for Issuance, Offer, and Sale of Payment Stablecoins | Would govern who may issue, offer, sell payment stablecoins in the U.S., including activities involving PPSIs and FPSIs. | ✓ | ✓ | | |

# Appendix

The GENIUS Act establishes a regulatory framework for "payment stablecoins" – generally defined as digital assets redeemable at a fixed monetary value and used for payments or settlement – to include:

- Licensing for Permitted Payment Stablecoin Issuers
- Requirements for Issuing Payment Stablecoins
- Capital, Liquidity and Risk Management Requirements
- Compliance with Bank Secrecy Act and Sanctions Laws
- Other Provisions

**Permitted Payment Stablecoin Issuer.** There are three categories of "permitted payment stablecoin issuers" (PPSIs):

- *Subsidiaries of insured depository institutions (IDIs)*, subject to approval by the relevant "federal payment stablecoin regulator" (the primary federal regulator of the IDI).
- *"Federal qualified payment stablecoin issuers,"* defined to include nonbank entities (other than a state qualified payment stablecoin issuer), OCC-chartered uninsured national banks, and federal branches that have been approved by the OCC.
- *"State qualified payment stablecoin issuers,"* defined to include entities that are established under state laws and approved to issue payment stablecoins by a "state payment stablecoin regulator".

**Federal payment stablecoin regulators.** In coordination with one another, federal payment stablecoin regulators are required to issue regulations to establish a payment stablecoin regulatory framework, including licensing and examining PPSIs.

**State payment stablecoin regulators.** State payment stablecoin regulators are permitted to issue orders and rules to same extent as the primary federal payment stablecoin regulators.

State qualified payment stablecoin issuers with a consolidated total outstanding issuance of not more than $10 billion would be allowed to opt for state-level regulation, provided the state-level regime is "substantially similar" to the federal regulatory framework. However, state qualified payment stablecoin issuers with a consolidated total outstanding issuance of more than $10 billion would be required to transition to the federal regulatory framework (to be administered jointly by the state and federal regulators); those that are state chartered depository institutions would be subject to oversight by the primary federal payment stablecoin regulator of the state chartered depository institution, while all other state qualified payment stablecoin issuers would be subject to oversight by the state and the OCC.

## Relevant Thought Leadership


Stablecoins: Bridge between traditional finance & digital assets


KPMG Digital Asset Service Offerings


Stablecoins & tokenization: What banking leaders need to know

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