SUPPORTING STATEMENT
OMB CONTROL NUMBER 1505-NEW
OFAC SANCTIONS COMPLIANCE PROGRAM (SCP)
FOR PERMITTED PAYMENT STABLECOIN ISSUERS (PPSIs)

This filing contains the information required by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501–3521, and 5 CFR part 1320.

1. Circumstances Making the Collection of Information Necessary.

This information collection request is submitted to request approval by the Office of Management and Budget (OMB) for a new OMB control number for the specific, new information collection and recordkeeping requirements for permitted payment stablecoin issuers (PPSI). PPSIs will be required to maintain an effective sanctions compliance program (SCP) under a proposed rulemaking to implement provisions of the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act), 12 U.S.C. 5901–5916, of July 18, 2025, issued jointly by the Office of Foreign Assets Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN) within the Department of the Treasury.

Pursuant to the GENIUS Act, OFAC is proposing new regulations that would add a new part 502 under 31 CFR chapter V. Section 502 would set forth the recordkeeping, reporting and other information collection requirements for PPSIs to develop and maintain an effective SCP. Even though the SCP will require five categories of elements, only internal controls (maintaining a copy of PPSI's SCP in writing to be made available to OFAC upon request and providing a PPSI certification to OFAC upon request) and maintaining the records of results from testing and auditing and any enhancements identified for the SCP will be covered by this information collection. However, the internal controls time and cost burden are part of overall anti-money laundering/counter-terrorist financing (AML/CFT) internal controls and are therefore accounted for under FinCEN's requested new OMB control number 1506-XXXX.

Other information collection and recordkeeping requirements pursuant to any OFAC sanctions program are approved by OMB under control number 1505-0164 and contained in § 501.901 of OFAC's Reporting, Procedures and Penalties Regulations (31 CFR part 501), which pertains to the operation of the various economic sanctions programs administered by OFAC under 31 CFR chapter V.

The submissions covered by this information collection will be reviewed by the U.S. Department of the Treasury and may be used for regulatory or administrative actions by OFAC under its authorities.

Background on Regulatory Provisions

The GENIUS Act, enacted on July 18, 2025, creates a regulatory framework for payment stablecoins in the United States. Under the GENIUS Act, subject to exceptions, only a PPSI may issue a payment stablecoin in the United States once the Act takes effect. The Department of Treasury's FinCEN and OFAC are jointly issuing a notice of proposed rulemaking to implement provisions of the GENIUS Act.

Regarding sanctions, the GENIUS Act expressly subjects PPSIs to all existing Federal laws related to economic sanctions and mandates PPSIs to maintain an effective SCP consistent with Federal law. The proposed rule implements the GENIUS Act's directive to require PPSIs to maintain effective SCP.

The GENIUS Act establishes a comprehensive federal regulatory framework for payment stablecoins and their issuers. Prior to the passage of the Act, there was no explicit legal requirement for PPSI's to establish and maintain an SCP. However, as U.S. persons, U.S. stablecoin issuers are, and always have been, required to comply with U.S. sanctions laws administered by OFAC. In addition to these requirements, OFAC also issues guidance to support regulated persons' compliance with U.S. sanctions.[1]

Among other objectives, the proposed rule mandates the establishment, implementation, and maintenance of risk-based SCPs for PPSIs. Section 502 under 31 CFR chapter V would set forth the recordkeeping, reporting and other information collection requirements for PPSIs to follow to develop and maintain an effective SCP. The SCP is required to be risk-based and reasonably designed to ensure compliance with all applicable U.S. sanctions.

To implement this requirement, OFAC is proposing requiring PPSIs adopt a sanctions compliance program to facilitate sanctions compliance, regardless of whether a stablecoin transaction occurs or the primary or secondary market, that includes five key compliance elements outlined in OFAC's 2019 framework:[2] (1) *senior management and organizational commitments*, requiring that a PPSI's senior management establish and maintain an effective SCP as prescribed in the proposed rule; (2) *risk assessments*, requiring holistic assessments of sanctions risks at appropriate intervals that are utilized and revised as specified in the proposed rule; (3) *internal controls*, which requires establishing, maintaining, and implementing a system of risk-based internal controls that are documented and reviewed as set forth in the proposed rule and provided to OFAC upon request, including identifying prohibited activity and providing PPSI certification to OFAC upon request; (4) *testing and auditing*, requiring PPSIs to establish and maintain a testing and audit function, as outlined in the proposed rule, and requiring that such testing and auditing results are used to identify and implement any needed updates or enhancements to the SCP; and (5) *training*, requiring each PPSI to establish and maintain a risk-based SCP training program sufficient to OFAC's outlined requirements.

Even though the SCP will require five categories of elements, the only new requirements that would generate new information collections unique to sanctions are: (i) internal controls (maintaining a copy of PPSI's SCP in writing to be made available to OFAC upon request and providing a PPSI certification to OFAC upon request) and (ii) testing and audit recordkeeping and enhancements, which will be covered by this information collection. As mentioned above, the SCP internal controls time and cost burden are part of overall anti-money laundering/counter-

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[1] See: OFAC Virtual Currency Industry guidance for compliance

[2] 2019 Compliance Framework, *supra* note [247].

terrorist financing (AML/CFT) internal controls and are therefore accounted for under FinCEN's OMB control number 1506-XXXX.

2. Purpose and Use of the Information Collected.

The proposed rule implements the GENIUS Act's directive to require PPSIs to maintain effective SCP. The Genius Act's requirements reiterate the responsibility of U.S. payment stablecoin issuers to comply with U.S. sanctions obligations.

OFAC is seeking approval for a new OMB control number for the specific, new information collection and recordkeeping requirements for PPSIs to establish and maintain an effective SCP.

Effective SCPs will help to ensure that PPSIs are not used to facilitate illicit financing, will improve financial institutions' ability to assess and mitigate risk, will help prevent evasion of financial sanctions, and will enhance financial transparency. The submissions covered by this information collection will be reviewed by the U.S. Department of the Treasury and may be used for regulatory or administrative actions by OFAC under its authorities. The information is used primarily by Treasury and provided to other agencies under limited circumstances, such as when requested for pending litigation, investigative purposes, or foreign policy guidance.

3. Consideration Given to Information Technology.

Generally, PPSIs already maintain electronic systems for good governance and to comply with a range of U.S. sanctions and other laws. With respect to the recordkeeping requirements covered by this filing, the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology is not applicable because persons will determine themselves how to gather and retain those records.

4. Duplication of Information.

There is generally no duplication of records. The information that OFAC requests to be maintained for an effective SCP is unique to the facts and circumstances for each specific PPSI.

5. Reducing the Burden on Small Entities.

PPSIs are required to document their SCP program and maintain the records of their internal controls and results from testing and auditing and SCP and are permitted to use the method most suitable to their requirements.

This new SCP information collection requested would only affect PPSIs, which OFAC currently estimates to be approximately 50 PPSIs, of which some of these may be small entities. However, many possible PPSIs operating within the traditional financial system will already maintain sophisticated sanctions compliance elements that are newly required by the proposed regulations, lowering the incremental cost to implement the sanctions compliance program even further. Therefore, the burden to develop or strengthen existing controls is estimated to be fairly minimal overall given the marginal additional burden and given that all entities will be required to implement the same sanctions compliance program requirements, regardless of their size.

6. Consequences of Not Conducting Collection.

A copy of the SCP must be maintained in writing by the PPSI and made available for inspection to the Department of the Treasury upon request. Without this collection of information, OFAC would not have the ability to request records related to implementation of the required SCP. The submissions covered by this information collection will be reviewed by the U.S. Department of the Treasury and may be used for regulatory or administrative actions by OFAC under its authorities. The information is used primarily by Treasury and provided to other agencies under limited circumstances, such as when requested for pending litigation, investigative purposes, or foreign policy guidance.

7. Special Circumstances.

- *Requiring respondents to report information to the bureau more often than quarterly.*

  No such requirement exists.

- *Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.*

  No such requirement exists.

- *Requiring respondents to submit more than an original and two copies of any document.*

  No such requirement exists.

- *Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years.*

  All records that are required to be retained by 31 CFR chapter V, including written copy of the SCP pursuant to 31 CFR part 502, must be retained for a period of 10 years, pursuant to CFR § 501.601.

- *In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.*

  Not applicable.

- *Requiring the use of a statistical data classification that has not been reviewed and approved by OMB.*

  Not applicable.

- *That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.*

  While this information collection is primarily a recordkeeping requirement, if OFAC requests this information, then it will be protected as conveyed in Section 10 below.

- *Requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

  While this information collection is primarily a recordkeeping requirement, if OFAC requests this information, then it will be protected as conveyed in Section 10 below.

8. <u>Consultations with Persons Outside the Agency</u>.

On September 19, 2025, Treasury published an advance notice of proposed rulemaking (ANPRM) and a request for public comments on the broader implementation of the GENIUS Act, including implementation of sanctions compliance obligations, among other elements (90 FR 45159). Public comments are available on the public rulemaking docket (TREAS-DO-2025-0037) at *https://www.regulations.gov*.

In response to this ANPRM, Treasury received approximately 450 comments from a variety of stakeholders, including banks and credit unions, stablecoin issuers, digital asset companies, law firms, trade associations, non-governmental organizations, technology firms, academics, and members of the public. Approximately 150 were unique comments.[3] Of those unique comments, approximately 90 commented on illicit finance topics or other topics pertinent to this rulemaking, which FinCEN and OFAC considered in developing the proposed rule.

In general, commenters supported applying BSA and sanctions obligations to PPSIs, arguing these requirements should mirror existing obligations and risk-based frameworks. Commenters asserted that obligations should be focused on activities within an issuer's control—such as issuance, redemption, and custody—rather than secondary-market transactions. On costs and benefits, commenters acknowledged upfront compliance costs, particularly for new or unregulated entrants, but emphasized that clearer rules would lower long-term compliance friction, reduce illicit-finance risks, improve supervisory efficiency, and ultimately strengthen market confidence and U.S. competitiveness.

OFAC considered each submission related to sanctions compliance, which helped OFAC develop the SCP elements for PPSIs in the proposed rule.

In addition, OFAC maintains strong relationships with the private sector and regular engagement with numerous entities and individuals seeking to comply with OFAC's sanctions.

[3] Treasury received approximately 300 near-duplicative statements criticizing the GENIUS Act prohibition on yield-bearing stablecoins being included in the category of payment stablecoins.

OFAC maintains an online platform to receive and answer questions from the private sector regarding the application of OFAC's economic sanctions and engages in substantial outreach at events held throughout the country and around the globe regarding OFAC's sanctions. Many decades of such daily contacts have streamlined procedures and assisted OFAC in obtaining a detailed understanding of the burdens its collections and procedures impose on persons seeking to comply with OFAC requirements.

9. Payment or Gift.

No payment or gift will be provided to respondents.

10. Confidentiality.

OFAC will ensure that the required information submitted in response to these collections will only be disclosed to the extent required by the Freedom of Information Act, U.S.C. 552 and as allowed by the Privacy Act of 1974 5 U.S.C. 552a (including the routine uses in the applicable SORN), and the Trade Secrets Act. Provisions guiding OFAC's disclosure of information can be found at 31 CFR Part 1. Information about OFAC's privacy practices has been issued under Treasury Departmental Offices Privacy Act System of Records Notice Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (81 FR 78298).

11. Questions of a Sensitive Nature.

The collection makes no request for sensitive information of this type.

12. Burden of Information Collection.

Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

The likely respondents and recordkeepers affected by the information collections covered by this authority are Permitted Payment Stablecoin Issuers (PPSIs).

The estimated total annual reporting burden associated with all the information collections covered by this authority is approximately 100. Under this entire information collection, the estimated annual frequency of all types of responses or recordkeeping is 1. The estimated total number of responses per year is approximately 50 responses. OFAC estimates that the average time for recordkeeping and reporting requirements associated with the SCP to be 2 hours. OFAC's estimate for the number of unique reporting respondents in a one-year period is approximately 50.

Estimated number of respondents/recordkeepers: 50

Frequency of responses/retaining records: 1

Estimated total number of responses per year: 50

Estimated total annual time burden per PPSI: 2 hours

Estimated total annual burden hours: 100 hours

Table 1: Burden Associated with Each Action of the Annual PRA Burden for PPSIs

Action	**Instances per year**	**Time per instance**	**Type of financial institution**	**Number of financial institutions** [a]	**Total number of responses/records**	**Total hourly burden**
Internal Controls: maintaining written SCP and PPSI certification to provide to OFAC upon request	1 per PPSI	0	PPSI	0	0	0[4]
Testing and Auditing: Maintaining the records of results from testing and auditing and any necessary enhancements to the SCP	1 per PPSI	2 hours	PPSI	50	50	100 hours

[4] Since AML/CFT internal controls are broader and include SCP internal controls, FinCEN has included the internal controls time/cost element in FinCEN's OMB control number 1506-XXXX.

Total Hourly Burden	50	100

[a] To estimate the population of potential PPSIs following the GENIUS Act, FinCEN and OFAC examined the issuers of over 350 stablecoin products using publicly available data from several sources. These products were examined for their eligibility to meet the criteria for being a payment stablecoin as described above, along with a few other practical characteristics that served as indicia that an issuer was likely to seek or at least meet the criteria for PPSI status based on its product offerings. Using this method, FinCEN and OFAC identified 30 products issued by 25 unique entities that matched the specified criteria. Acknowledging that many factors may affect the net growth rate in issuers, FinCEN and OFAC adopts the assumption of an initial growth rate of about 25 PPSIs in the first year, but a net growth rate of zero after this. This results in an estimated average of 50 PPSIs over the first three years.

Estimated Total Annual Cost: $12,458

OFAC estimates the total cost to be approximately $12,458

Table 2: Total Cost of Annual PRA Burden for PPSIs

Action	Total Hours	Wage Rate [a]	Total Cost
Maintaining the records of results from testing and auditing and enhancements described to the SCP	100	$124.58	$12,458
Total Cost			**$12,458**

[a] The hourly wage rate is a general composite hourly wage rate ($87.61) scaled by a private sector benefits factor of 1.42 ($124.58 = $87.61 × 1.42). This incorporates Bureau of Labor Statistics mean wage data (*May 2024—National industry-specific and by ownership*, https://www.bls.gov/oes/tables.htm), “associated with six occupational codes (11-1010: Chief Executives; 11-3021: Computer and Information Systems Managers; 11-3031: Financial Managers; 13-1041: Compliance Officers; 23-1010: Lawyers and Judicial Law Clerks; 43-3099: Financial Clerks, All Other) for each of the nine groupings of NAICS industry codes that FinCEN and OFAC determined are most directly comparable to its 11 categories of potentially affected financial institutions as delineated in 31 CFR parts 1020 to 1030. Given that many occupations provide benefits beyond wages (*e.g.*, insurance and paid leave), FinCEN and OFAC apply the private sector benefit factor to the unloaded wage rate to reflect the total cost to the employer. The benefit factor is the ratio of total compensation (which includes wages and benefits) to wages. Total compensation = 43.94 and Wages and salaries = 30.90 (1.42 = 43.94 ÷ 30.90) as of June 2024, based on the private industry workers series data downloaded from the Bureau of Labor Statistics, *Employer Costs for Employee Compensation* data, https://www.bls.gov/news.release/archives/ecec_09102024.pdf.

Any capital, operating or maintenance costs associated with the collection of information or recordkeeping requirements specific to this collection are assumed to be fairly minimal since PPSIs are permitted to use the method of their choice most suitable to their requirements to maintain an effective sanctions compliance program.

For some PPSIs to maintain an effective economic sanctions compliance program, it may include additional policies and procedures related to the sanctions compliance program that could lead to the purchase of software with sanction screening abilities. However, since PPSIs are also a U.S. person, OFAC would expect some sanctions compliance programs to already be in place and these other sanctions compliance elements are already covered by other U.S. laws and OFAC sanctions regulations, such as reporting and recordkeeping requirements in 31 CFR part 501.

14. Cost to the Federal Government.

The estimated annual cost to the U.S. government attributable to this information collection is approximately $0 because there is no reporting to OFAC, only recordkeeping requirements. If OFAC were to ask for many records in the future, this cost could be updated to consider processing of such reports.

15. Reason for Change.

OFAC is seeking a new OMB control number to add information collection requirements for a SCP for PPSIs contained in 31 CFR part 502 in a joint proposed rule with FinCEN to implement the requirements of the Genius Act.

Overall, the estimated number of total responses in this information collection and the burden for the entire information collection is expected to have minimal initial costs for the SSPIs adjusting for any updates to PPSIs sanctions controls and should lead to time and cost savings for PPSIs over time as the sanctions compliance program is just maintained.

	PREVIOUS APPROVAL REQUEST	CHANGE DUE TO NEW STATUTE	CHANGE DUE TO ADJUSTMENT IN AGENCY ESTIMATE	REQUESTED
Annual Number of Responses	0	50	0	50
Annual Time Burden (Hr)	0	100	0	100
Annualized Cost to Respondents ($)	0	$12,458	0	$12,458

16. Tabulation of Results, Schedule, Analysis Plans.

Results will not be published.

17. Display of OMB Expiration Date.

Treasury is requesting a waiver of the requirement to display the expiration date for this OMB Control Number since these are currently just recordkeeping requirements and to avoid updating the regulations more frequently.

18. Exceptions to Certification for Paperwork Reduction Act Submission.

There are no exceptions to the certification statement.