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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

Comment On: OCC-2025-0372-0001
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

Document: OCC-2025-0372-0043
Basis Protocol

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General Comment

Please find attached a comment letter submitted by Basis Protocol in response to the OCC's Notice of Proposed Rulemaking implementing the GENIUS Act (Docket ID OCC-2025-0372, RIN 1557-AF41).

The comment addresses the absence of a cross-issuer comparability framework in the proposed rule's disclosure requirements and recommends standardized, open-methodology risk measurement standards for supervised entities evaluating payment stablecoins.

Attachments

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April 6, 2026

Chief Counsel's Office
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
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Re: *Docket ID OCC-2025-0372; RIN 1557-AF41. 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*

Dear Office of Chief Counsel:

Basis Protocol submits this comment in response to the OCC's Notice of Proposed Rulemaking ("NPRM") implementing the GENIUS Act, published at 91 FR 10202 on March 2, 2026. Basis Protocol builds open-methodology risk measurement infrastructure for digital assets. Our first product, the Stablecoin Integrity Index ("SII"), normalizes over 100 quantitative components across six weighted categories into a single daily score (0 to 100) for each covered stablecoin. The methodology is public. The formula is deterministic. The outputs are machine-readable. We currently score 17 stablecoins across four blockchains.

We write to address a structural gap in the proposed rule: the absence of any framework for comparing stablecoin quality across issuers.

The proposed rule addresses licensing, reserve composition, capital adequacy, redemption mechanics, and disclosure with considerable rigor. Our comments are narrow. We believe the framework would be strengthened by addressing cross-issuer comparability: the practical problem that arises when every supervised entity must interpret the same disclosures using its own proprietary method.

I. The Proposed Rule Mandates Disclosure but Does Not Prescribe Comparability

The NPRM requires permitted payment stablecoin issuers ("PPSIs") to make monthly public disclosures of reserve asset composition, valuation detail, and redemption terms. These requirements are necessary and well-designed. But the proposed rule does not establish any framework, methodology, or minimum standard for how supervised entities should interpret, compare, or evaluate the disclosed information across issuers.

We call this condition "disclosure without interpretation." The regulation produces data, but no shared basis for evaluating what the data means in comparative context. The practical consequence: every OCC-supervised institution that needs to make decisions involving multiple stablecoins (whether for listing, collateral acceptance, treasury allocation, or counterparty risk assessment) must develop its own proprietary methodology for interpreting the same disclosed data.

The result is predictable from both regulatory history and recent international experience: fragmented, non-comparable assessments that undermine the transparency the disclosure requirements are designed to produce.

II. International Experience Demonstrates the Consequences

The European Union's Markets in Crypto-Assets Regulation ("MiCA") provides a direct natural experiment. MiCA's stablecoin provisions, effective June 30, 2024, imposed disclosure and authorization requirements structurally similar to those in the GENIUS Act. Like the proposed rule, MiCA mandated reserve transparency without prescribing a shared methodology for cross-issuer evaluation.

The consequences were immediate. Between October and December 2024, European exchanges made divergent listing and delisting decisions regarding the same stablecoin (Tether's USDT) at different times, using different internal criteria, reaching different conclusions about the same underlying regulatory facts. OKX acted in October 2024. Coinbase Europe acted in December 2024. Both were responding to the same regulation. Neither had a shared methodology to reference. More than 40 tokens were ultimately delisted from EU-regulated exchanges, with each exchange applying its own evaluation framework.

The lesson: when disclosure mandates produce data without a comparability framework, market participants default to proprietary, ad-hoc approaches that are non-reproducible, non-comparable across institutions, and effectively unauditable by supervisors evaluating the adequacy of a firm's risk assessment process.

The same gap appears in the proposed rule's treatment of foreign payment stablecoin issuers. The NPRM requires foreign issuers to maintain U.S. reserve assets "sufficient to meet demands of U.S. customers," but does not define how sufficiency is to be measured, what methodology should govern the assessment, or what thresholds apply. This is disclosure without interpretation applied to a cross-border context, where the consequences of inconsistent evaluation are compounded by jurisdictional complexity.

III. The Methodology Gap Creates Downstream Consequences for Supervised Entities

A. Capital classification under Basel SCO60.

The Basel Committee's standard on the prudential treatment of cryptoasset exposures (SCO60), effective January 2026, requires banks to classify stablecoin holdings for capital adequacy purposes. The capital difference between a Group 1b classification and a Group 2b classification can exceed 500 times for the same notional exposure. Bank counterparties of OCC-supervised PPSIs will need to demonstrate that the stablecoins they hold meet specific quality criteria. Without a shared methodology, each bank and each supervisor must independently determine how to assess the same stablecoin: fragmentation at the intersection of OCC and Basel requirements.

B. Proliferation of proprietary black-box methodologies.

Without a shared framework, commercial providers will fill the gap with proprietary methodologies. This has already begun. The OCC should consider whether the interests of safety and soundness are served by a regime in which supervised entities rely on proprietary, unauditable third-party methodologies for decisions that OCC examiners will need to evaluate. Open methodologies (where the formula, weights, inputs, and normalization procedures are published and version-controlled) are auditable by supervisors. Proprietary committee-based approaches are not.

C. Automated and algorithmic decision-making.

An increasing share of stablecoin transaction volume is executed by automated systems, algorithmic trading strategies, and autonomous agents. Industry estimates place automated activity at roughly three-quarters of stablecoin trading volume. These systems require deterministic, machine-readable quality signals. They cannot consume analyst discretion, periodic PDF attestations, or committee-based assessments. As the PPSI ecosystem scales, the OCC should consider whether the disclosure framework should accommodate computational consumption: enabling supervised entities to build automated compliance systems that evaluate stablecoin quality programmatically.

IV. Specific Recommendations

We recommend that the OCC consider the following modifications to the proposed rule:

1. Establish minimum standards for cross-issuer comparability in reserve disclosures. The proposed rule should require that PPSI reserve disclosures use a standardized format and taxonomy enabling comparison across issuers. Currently, no two stablecoin issuers disclose reserve composition using the same categories, cadence, granularity, or valuation methodology. The OCC should consider prescribing a minimum disclosure schema (analogous to the standardized call report format used for bank financial reporting) that produces structurally comparable data across all PPSIs under OCC jurisdiction.

2. Recognize the role of open-methodology risk assessment in supervisory evaluation. The OCC should acknowledge in the final rule that supervised entities may use risk assessment

methodologies that are published, version-controlled, and reproducible. Open-methodology approaches offer meaningful supervisory advantages: OCC examiners can audit the methodology itself, not merely the output. The agency need not endorse any specific methodology, but could establish principles for what constitutes an acceptable assessment approach, including requirements for transparency, determinism, and auditability.

3. Require that PPSI disclosures be machine-readable. Reserve composition, valuation, and redemption data should be published in structured, machine-readable formats (e.g., JSON, XML, or API endpoints) in addition to human-readable reports. Machine-readable disclosure enables automated compliance monitoring, reduces the cost of supervisory oversight, and ensures that automated market participants can integrate stablecoin quality data into their decision systems. The SEC's adoption of XBRL for corporate financial reporting provides a useful precedent.

4. Address the interaction between PPSI supervision and third-party risk assessment providers. The OCC should consider how the final rule treats supervised entities' use of third-party risk assessment providers for stablecoin evaluation. The OCC's existing guidance on third-party risk management (OCC Bulletin 2023-17) could be extended to establish expectations for the transparency, independence, and auditability of risk assessment methodologies used by supervised entities for stablecoin-related decisions.

V. Stablecoin Quality Extends Beyond Reserve Composition

The proposed rule's disclosure requirements appropriately focus on reserve composition and redemption mechanics. In practice, stablecoin failure modes extend well beyond reserves. Based on our experience building and operating a multi-dimensional stablecoin integrity measurement system, we note the following categories of risk that supervised entities will need to evaluate:

Peg stability and price integrity: the degree to which the stablecoin maintains par value across exchanges and trading venues, including under stress. Liquidity depth and exit feasibility: the practical ability to redeem or sell at par within the two-business-day window contemplated by the proposed rule. Redemption flow dynamics: behavioral patterns in minting and burning activity that serve as leading indicators of stress (abnormal redemption velocity has preceded every major stablecoin failure in historical data by 24 to 48 hours). Holder concentration: the degree to which outstanding supply is concentrated among a small number of holders, determining vulnerability to correlated withdrawal. Smart contract and technical risk: audit status, upgradeability, admin key configuration, and incident history. Network and oracle infrastructure: reliability of price feeds, cross-chain deployments, and infrastructure dependencies.

The monthly attestation requirements address a subset of these dimensions. We encourage the OCC to consider whether the final rule should contemplate a broader set of quality indicators

that supervised entities may be expected to monitor, particularly as the number of issuers under federal supervision increases.

VI. Historical Precedent Supports Proactive Standards

The financial services industry has repeatedly confronted the problem of mandating disclosure without prescribing comparability. The historical pattern is consistent: when regulators require transparency but leave interpretation methodology to the market, private standard-setters fill the gap with approaches that serve their own commercial interests.

The evolution of credit ratings illustrates this. John Moody published the first bond ratings in 1909 as a public good funded by investor subscriptions. Within two decades, ratings became embedded in bank regulation. By the 1970s, the business model shifted to issuer-pays, creating the structural conflicts that contributed to failures observed during the 2008 financial crisis. The business model of the methodology provider determined the outcome for the system.

The OCC has an opportunity to shape this dynamic now. By establishing principles for methodology transparency and comparability before market practices harden, the agency can reduce the risk that the stablecoin assessment ecosystem develops the same structural conflicts that have characterized other segments of financial risk infrastructure.

VII. Conclusion

The proposed rule is a significant and well-considered step toward prudential regulation of payment stablecoins. Our comments address a single gap: the absence of a comparability framework for the disclosures the rule requires.

The core issue: disclosure produces data; comparability requires methodology. The proposed rule addresses the first but not the second. MiCA demonstrates the consequences. Basel SCO60 amplifies the urgency. The growth of automated decision-making in stablecoin markets makes deterministic quality assessment an operational necessity.

We encourage the OCC to consider whether the final rule should establish minimum standards for cross-issuer comparability, recognize the supervisory value of open-methodology risk assessment, require machine-readable disclosure formats, and address the role of third-party assessment providers in the supervised entity ecosystem.

Basis Protocol is available to provide additional technical detail on any of the points raised in this letter. We appreciate the opportunity to participate in this rulemaking.

Respectfully submitted,

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