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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-2025-0372-0064
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General Comment

See attached file(s)

Attachments

BitGo Holdings, Inc.

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April 13, 2026

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street SW, Suite 1E–216
Washington, DC 20219

Re: Implementing the GENIUS Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency (Docket ID OCC–2025–0372; RIN 1557–AF41)

To whom it may concern,

I. Interest of the Commenter

BitGo Holdings, Inc. ("BitGo") submits this comment on the Office of the Comptroller of the Currency's ("OCC") proposed rulemaking to implement the Guiding and Establishing National Innovation for U.S. Stablecoins Act ("GENIUS Act") through new 12 CFR Part 15 as one of the few institutions globally that operates a digital asset infrastructure under federal banking supervision, multiple state licenses, and international regulatory frameworks. BitGo (NYSE: BTGO) is a publicly traded digital asset infrastructure company that provides custody, wallets, staking, trading, financing, and settlement services to institutional and retail clients worldwide, with over $100 billion in digital assets on its platform. BitGo operates BitGo Bank & Trust, National Association ("BitGo BT"), a national trust bank chartered and supervised by the OCC, and maintains regulated licenses across multiple U.S. states and foreign jurisdictions, including a MiCA license in the European Union, a Major Payment Institution license in Singapore, and virtual asset service provider approvals in Dubai. We offer the OCC a perspective informed by daily operational experience at the intersection of traditional banking supervision and digital asset technology. [1]

As an institution actively preparing to seek approval as a permitted payment stablecoin issuer under the GENIUS Act, BitGo has direct operational experience with the reserve management infrastructure, custody architecture, and regulatory compliance frameworks that the proposed rule contemplates. We offer these comments from the perspective of a regulated national trust bank that has built enterprise-grade systems for digital asset custody, real-time reserve monitoring, and multi-jurisdictional regulatory reporting. Our goal is to assist the OCC in adopting a final rule that achieves the GENIUS Act's consumer protection and financial stability objectives while preserving the ability of U.S.-domiciled, heavily regulated institutions to compete effectively against offshore stablecoin products.

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[1] *See* 91 FR 10202 (March 2, 2026) (hereinafter, the"NPRM" or "proposed rule").

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II. Permitted Issuers Should Be Allowed to Issue Multiple Brands of Payment Stablecoin Through a Single Legal Entity

The OCC has specifically requested comment on whether to restrict each permitted payment stablecoin issuer to issuing only one brand of payment stablecoin.[2] BitGo respectfully urges the OCC not to adopt a one-brand-per-issuer restriction and instead to permit issuers to issue multiple brands through a single legal entity, subject to appropriate safeguards. The proposed restriction would impose substantial costs on the stablecoin ecosystem without yielding commensurate supervisory or consumer protection benefits.

A. Multi-Brand Issuance Is Essential to the Stablecoin-as-a-Service Model

Multi-brand issuance is central to the white-label stablecoin-as-a-service model that BitGo and other infrastructure providers are developing for institutional partners. Under this model, a single permitted issuer with robust compliance infrastructure, reserve management systems, and regulatory reporting capabilities issues co-branded stablecoins on behalf of multiple distribution partners. BitGo is actively developing stablecoin-as-a-service infrastructure that would enable institutional partners—including fintech platforms, neobanks, cross-border payment providers, and enterprise treasury operations—to offer co-branded stablecoins to their customers while relying on BitGo's compliance infrastructure, reserve management systems, and OCC-supervised regulatory relationships. Requiring each of these partners to establish a separate OCC-supervised legal entity would make this service economically unviable for all but the largest partners and would deprive the market of a model that efficiently concentrates supervisory oversight in a single well-capitalized, well-supervised institution. This model concentrates regulatory expertise, compliance technology, and supervisory relationships in a single well-supervised entity—precisely the outcome the GENIUS Act seeks to achieve.

The white-label model has deep precedent in the financial services industry.[3] Banks routinely issue co-branded credit cards, private-label deposit products (such as brokerage sweep accounts issued by Goldman Sachs on behalf of firms like Wealthfront, or certificates of deposit offered through IntraFi's network under individual bank branding), and white-label payment solutions (such as Marqeta's card-issuing platform powering branded cards for DoorDash and Square, or Green Dot's banking-as-a-service infrastructure underlying Walmart MoneyCard and similar retail products) through a single regulated entity. The OCC has long recognized that this model enhances consumer access while concentrating supervisory oversight in regulated institutions. A one-brand-per-issuer restriction would represent a sharp departure from this regulatory tradition without any clear basis in the GENIUS Act's text, which neither mandates nor suggests such a limitation.

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[2] NPRM at 10213 (discussing white-label arrangements and requesting comment on whether to restrict issuers to a single brand).

[3] *See, e.g.*, JPMorgan Chase's issuance of co-branded credit cards under the American Airlines, Amazon, and Southwest Airlines brands through a single federally chartered bank; Goldman Sachs's issuance of the Apple Card under Apple's brand; and Green Dot's banking-as-a-service platform issuing the Walmart MoneyCard and similar products.

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B. A One-Brand Restriction Would Impose Costs Without Corresponding Benefits

Requiring a separate legal entity for each brand would compel the creation of multiple shell subsidiaries, each requiring independent OCC approval, independent compliance infrastructure, and independent capital—without any corresponding improvement in consumer protection or financial stability. Each subsidiary would need its own BSA/AML program, its own board of directors and governance structure, its own reserve management infrastructure, and its own reporting systems. This would multiply the OCC's supervisory workload without generating additional supervisory insight, since each subsidiary would rely on the same underlying operational platform.

The OCC itself acknowledges this concern by proposing to "streamline the process for approving applications to become a permitted payment stablecoin issuer if an affiliate has already been approved."[4] This acknowledgment suggests the OCC recognizes that duplicating legal entities adds cost without proportionate supervisory benefit. The more efficient approach is to allow a single issuer to operate multiple brands while imposing safeguards at the brand level, rather than requiring structural proliferation.

C. Contagion and Run Risk Can Be Addressed Through Per-Brand Safeguards

The OCC has expressed concerns that multi-brand issuance "may also foster uncertainty about reserve assets and encourage contagion and run risk among brands of payment stablecoins."[5] These concerns are fully addressable through targeted, brand-level safeguards rather than the blunt instrument of structural separation.

Specifically, the final rule should require multi-brand issuers to maintain: (1) per-brand reserve segregation, ensuring each brand's reserves are identifiable and not commingled with reserves backing other brands, consistent with proposed § 15.11(a)(1)(ii); (2) per-brand attestation reporting, providing the OCC and the public with brand-level visibility into reserve adequacy; (3) where appropriate, a legal opinion or third-party attestation confirming that each brand's reserve pool is held in a bankruptcy-remote structure—for example, through a segregated trust arrangement or special purpose vehicle that ensures the reserve assets are not property of the issuer's general estate in the event of insolvency, a well-established technique in structured finance and asset-backed securitization—for each brand's reserve pool, ensuring that the insolvency of one brand's distribution partner does not impair the reserves backing another brand; and (4) clear disclosure to stablecoin holders of the identity of the issuer and the specific reserve pool backing their brand of stablecoin.

These safeguards would provide the OCC with full visibility into the reserve adequacy of each brand while preserving the operational efficiency and regulatory consistency that come from

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[4] NPRM at 10213 (proposing to "streamline the process for approving applications" for affiliates of existing issuers). *See also* 91 FR at 10213 ("[M]ultiple 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.").

[5] *See* NPRM at 10213.

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maintaining a single supervised issuer. To the extent the OCC is concerned that shared back-office infrastructure could create operational contagion across brands, BitGo submits that this concern is misplaced. Enterprise-grade digital asset platforms such as BitGo's are architected with logical segmentation by design: shared infrastructure components—including blockchain nodes, hardware security modules, and treasury management systems—process brand-specific operations through isolated execution paths, ensuring that a liquidity run or elevated redemption activity on one white-label brand cannot operationally impair the minting, burning, or reserve management of any other brand utilizing the same infrastructure. Indeed, per-brand reserve segregation under a single issuer with logically segmented operations may provide greater transparency and stronger operational resilience than the alternative of multiple affiliated entities operating under a common risk management framework. The multi-entity alternative creates its own risks: cross-entity exposures, shared services arrangements, and duplicated but inconsistently maintained systems can produce opaque interdependencies and fragmented security postures. These structures are often far more difficult for the OCC to supervise than a single well-organized issuer with clear internal segmentation.

D. Insolvency Concerns Are Better Addressed by Existing Statutory Protections

The NPRM suggests that separate legal entities "may provide more certainty with respect to the rights of payment stablecoin holders in the event that a permitted payment stablecoin issuer becomes insolvent." Stablecoin holders care about one thing: whether their reserves are protected if something goes wrong. Per-brand reserve segregation with bankruptcy-remote structures provides that protection regardless of how many brands share the same issuing entity. The GENIUS Act already establishes comprehensive resolution procedures and claims priority for stablecoin holders.[6] The corporate form of the issuer is irrelevant to holder protection; what matters is whether reserves are legally segregated and held for the exclusive benefit of holders. Multiple affiliated shell entities with shared risk management frameworks do not provide better protection than a single well-supervised issuer with rigorously segregated per-brand reserves.

III. The Rebuttable Presumption for Interest and Yield Payments Requires Explicit Safe Harbors and Procedural Protections (Response to Questions Regarding § 15.10(c)(4))

BitGo supports the GENIUS Act's prohibition on paying interest or yield to stablecoin holders and agrees that the OCC should adopt regulations to prevent evasion.[7] However, the proposed rebuttable presumption in § 15.10(c)(4)(i) would capture legitimate business arrangements that do not constitute prohibited interest or yield payments.[8] For example, the OCC's preamble acknowledges that the prohibition is "not intended to prevent a merchant from independently

[6] 12 U.S.C. § 5911.

[7] *See* 12 U.S.C. § 5903(a)(11).

[8] NPRM at 10212 (discussing the proposed rebuttable presumption in § 15.10(c)(4)(i)).

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offering a discount to a payment stablecoin holder," but the regulatory text does not codify this limitation.[9]

A. Independently Funded Affiliate Programs Should Be Expressly Excluded

The proposed presumption would apply whenever an issuer has a contract with an affiliate or related third party to pay interest or yield, and that party in turn pays interest or yield to holders of the issuer's stablecoin. This two-step test could inadvertently capture independently funded affiliate loyalty programs, merchant discount arrangements, and promotional incentives that are financed entirely from the affiliate's or related third party's own revenue—not from stablecoin reserve income or issuer subsidies.

Such programs are commonplace in the payments industry and serve legitimate competitive and consumer welfare purposes.[10] Credit card rewards programs, merchant cash-back programs, and fintech referral and sign-up incentives (such as PayPal's and Venmo's new-user cash bonuses, or Robinhood's stock reward for opening a funded account) all involve payments from affiliates or commercial partners to customers holding or using a particular financial product. None of these programs constitutes the payment of "interest or yield" on the underlying financial product, and subjecting their stablecoin equivalents to a rebuttable presumption would place payment stablecoins at a competitive disadvantage relative to traditional payment instruments.

In direct response to the OCC's Question 36, which asks whether the OCC should "propose any safe harbor for arrangements that the OCC believes do not violate the statutory prohibition," BitGo respectfully submits that the final rule should codify explicit safe harbors for: (1) affiliate loyalty or rewards programs that are independently funded from the affiliate's own revenue and not subsidized by the issuer from reserve income; (2) merchant-funded discounts offered to stablecoin holders as consideration for the use of the payment stablecoin in a commercial transaction; (3) promotional incentives of limited duration that are funded by the issuer's operating budget (not reserves) and disclosed to the OCC in advance; (4) revenue-sharing arrangements between an issuer and a white-label partner that do not result in direct payments to stablecoin holders; and (5) de minimis arrangements—such as rewards, incentives, or promotional payments that fall below a specified per-holder dollar threshold (e.g., $100 per holder per year) or represent less than a specified percentage of the stablecoin's face value—that do not have a meaningful economic impact on the holder's return. De minimis arrangements of this nature are ubiquitous in the payments industry and pose no credible risk of evasion of the GENIUS Act's interest prohibition; subjecting them to the rebuttable presumption and rebuttal process would impose compliance costs wholly disproportionate to any regulatory benefit and would render routine promotional activity commercially unviable for stablecoin issuers competing against traditional payment instruments that face no comparable burden.

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[9] NPRM at 10212 ("The prohibition is not intended to prevent a merchant from independently offering a discount to a payment stablecoin holder for using payment stablecoins.").

[10] *See, e.g.*, American Express's Membership Rewards program, Chase Ultimate Rewards, and similar independently funded loyalty programs.

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B. The Rebuttal Process Requires Defined Standards and Timelines

The proposed rule provides that an issuer may rebut the presumption by submitting written materials that, "in the OCC's judgment," demonstrate that the arrangement is not prohibited.[11] This standard is insufficiently defined and creates unacceptable regulatory uncertainty. Without clear parameters, issuers cannot reliably structure business arrangements or assess compliance risk ex ante, which will chill legitimate commercial innovation in the stablecoin ecosystem.

The final rule should specify: (1) the evidentiary standard the issuer must meet to rebut the presumption—for example, a preponderance-of-evidence standard demonstrating that the affiliate's payments are independently funded and not derived from reserve income; (2) a defined timeline of no more than 30 days within which the OCC must act on a rebuttal submission, consistent with the APA's requirements for timely agency action—a 60-day or longer review period would be commercially unreasonable, effectively paralyzing basic marketing campaigns, partner onboarding, and ordinary-course business operations that require timely regulatory certainty to launch; (3) a deemed-approved mechanism if the OCC does not act within the 30-day period, which is imperative to provide issuers with the regulatory certainty necessary to compete effectively and to incentivize timely OCC review; and (4) a right to appeal an adverse determination through the OCC's existing administrative process, including the opportunity to present additional evidence.[12]

C. The Presumption Should Not Extend to Arm's-Length Commercial Relationships

The proposed definition of "related third party" is arguably broad enough to capture entities that issue payment stablecoins under a white-label arrangement, even where those entities are sophisticated commercial counterparties operating at arm's length. BitGo recommends that the OCC clarify that the presumption does not apply where: (1) the arrangement is between unaffiliated entities transacting on arm's-length commercial terms; (2) the funds used to pay rewards or incentives are derived entirely from the third party's own business operations; and (3) the issuer does not direct, control, or fund the third party's payment of rewards or incentives to stablecoin holders. This clarification would preserve the OCC's ability to police genuinely evasive arrangements while providing the regulatory clarity needed for legitimate commercial relationships to flourish.

Under the proposed rule, a "related third party" is defined to include two categories of persons: (1) any person paying interest or yield to payment stablecoin holders as a service on behalf of the permitted payment stablecoin issuer, and (2) any person on whose behalf, or under whose branding, the issuer issues payment stablecoins (i.e., white-label partners). The breadth of this definition is concerning because it could sweep in arm's-length commercial partners whose independent business activities happen to benefit stablecoin holders. BitGo recommends that the OCC narrow the definition to require a meaningful nexus between the issuer's payments to the

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[11] NPRM at 10212 ("a permitted payment stablecoin issuer may rebut the presumption by submitting written materials that, in the OCC's judgment, demonstrate that the contract, agreement, or other arrangement is not prohibited").

[12] *See generally* Administrative Procedure Act, 5 U.S.C. § 555(e) (requiring prompt notice of denial of written applications with a brief statement of grounds).

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third party and the third party's payments to stablecoin holders—for example, by requiring that the issuer's payments be the predominant funding source for the third party's yield or interest payments, or that the arrangement be specifically designed to channel reserve income to holders through an intermediary.

IV. BitGo Supports Option A for Reserve Asset Diversification (Response to Questions Regarding § 15.11(c))

The OCC has proposed two alternative approaches to reserve asset diversification: Option A, a principles-based general requirement with an optional quantitative safe harbor; and Option B, mandatory quantitative requirements for all issuers.[13] BitGo supports Option A as the approach most consistent with the GENIUS Act's directive that diversification standards be "tailored to the business model and risk profile of permitted payment stablecoin issuers."

Option A appropriately recognizes that issuers with different business models, risk profiles, and reserve compositions may require different diversification strategies. A large issuer with complex multi-chain operations may need to maintain diverse reserve pools across multiple eligible financial institutions, while a smaller issuer with a simpler profile may reasonably concentrate reserves to a greater degree. The safe harbor within Option A provides a useful benchmark while preserving the flexibility the statute contemplates. However, BitGo strongly urges the OCC to exempt Federal Reserve Banks and Global Systemically Important Banks (G-SIBs) entirely from the 40% single-institution concentration limit within the safe harbor. Applying the 40% cap to deposits held at Federal Reserve Banks or G-SIBs would force a large-scale issuer—for example, one with $50 billion or more in outstanding issuance—to disperse reserve assets across dozens of smaller regional banks and custodians, each of which presents materially greater credit and operational risk than a Federal Reserve Bank or a G-SIB subject to the most intensive prudential supervision in the world. Far from promoting safety and soundness, this result would actively undermine it: the OCC would be compelling issuers to replace the safest counterparties in the financial system with a fragmented web of less-capitalized, less-supervised institutions, multiplying counterparty risk, operational complexity, and the very contagion hazards the diversification requirement is intended to mitigate. There is no principled basis for treating a deposit at a Federal Reserve Bank—which carries zero credit risk—identically to a deposit at a community bank for concentration-limit purposes.

This analysis points to a second structural deficiency in percentage-based concentration limits: by reducing the maximum loss from any single counterparty failure without ensuring that the reduced loss falls below the issuer's loss absorption capacity, the rule increases the mean time between catastrophic events without preventing catastrophe when a failure does occur. A diversification requirement calibrated to defer rather than eliminate the risk of par-breaking reserve losses is not a meaningful safeguard from the stablecoin holder's perspective. Holders care whether they can redeem at par, not whether the issuer's eventual insolvency was caused by one large failure or several smaller ones.

[13] NPRM at 10216–17 (discussing Option A and Option B for reserve asset diversification under § 15.11(c)).

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The 40% concentration limit is also poorly calibrated from a loss-severity perspective. A concentration cap reduces the frequency of catastrophic loss events but does not prevent catastrophic outcomes when a counterparty failure does occur. Consider the widely reported example of Circle Internet Financial, which held approximately $3.3 billion—roughly 8% of its then-$40 billion reserves—at Silicon Valley Bank when SVB failed in March 2023. Even at this relatively modest 8% concentration, the potential loss would have exceeded Circle's approximately $310 million in equity by a factor of ten. For Circle to have absorbed an SVB-magnitude loss without insolvency, it would have needed to cap exposure to any single institution at approximately $310 million—less than 1% of reserves—requiring diversification across more than 80 counterparties.

This analysis reveals a fundamental flaw in percentage-based concentration limits: if the issuer's equity is small relative to total reserves, any fixed-percentage cap that is commercially practicable (such as 40%) will still produce catastrophic, equity-exceeding losses when a counterparty fails. The 40% limit merely increases the mean-time-between-catastrophic-failures without preventing catastrophe when failure occurs. For an issuer with thin equity relative to reserves, diversification across multiple non-G-SIB counterparties may perversely increase aggregate counterparty risk by forcing reserves into institutions with weaker credit profiles—while still leaving the issuer exposed to catastrophic loss from any single counterparty's failure.

BitGo therefore recommends that, in addition to exempting Federal Reserve Banks and G-SIBs from the 40% cap, the OCC adopt a principles-based alternative under which issuers may demonstrate that their concentration limits are calibrated to their balance-sheet capacity to absorb counterparty losses without insolvency. An issuer that maintains equity or subordinated loss-absorption capacity sufficient to cover a counterparty failure at any given concentration level should not be forced to disperse reserves across weaker institutions solely to satisfy an arbitrary percentage threshold that does not account for the issuer's actual loss-absorption capacity.

BitGo acknowledges the intuitive appeal of the counterargument that diversification across multiple counterparties is still beneficial because losing 40% of reserves through a single counterparty failure is preferable to losing 100%. This argument has surface validity but does not withstand scrutiny in the context of the OCC's stated regulatory objectives. First, the relevant question is not whether a 40% loss is preferable to a 100% loss in the abstract, but whether forcing issuers to disperse reserves across weaker counterparties to satisfy an arbitrary concentration cap actually reduces aggregate risk. If the 40% cap forces an issuer to move reserves from a Federal Reserve Bank or a G-SIB into regional banks with materially higher failure probabilities, the expected loss from counterparty failure may increase even as the maximum loss from any single failure decreases. The OCC's framework should optimize for minimizing expected loss, not for capping maximum loss at a level that remains catastrophic. Second, a 40% reserve loss would in most cases still render the stablecoin unable to honor redemptions at par, triggering the very confidence crisis and run dynamics that the diversification requirement is intended to prevent. Stablecoin holders care about whether they can redeem at par, not about whether the issuer's insolvency was caused by a 40% loss or a 100% loss. A concentration limit that still produces par-breaking losses is not a meaningful safeguard from the holder's perspective. Third, the GENIUS Act's framework already provides robust protections through the 1:1 reserve requirement, the restriction to high-quality liquid assets, and the

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mandatory redemption obligations. Layering an additional concentration requirement that forces reserves away from the safest counterparties in the financial system—Federal Reserve Banks and G-SIBs—does not enhance these protections; it undermines them.

Option B's one-size-fits-all mandatory requirements, by contrast, may impose unnecessary costs on simpler issuers or prove insufficient for more complex ones. To illustrate: if Option B mandated that every issuer diversify reserves across at least three eligible financial institutions with no more than 40% at any single institution, a small issuer with $500 million in reserves and a straightforward single-chain operation would be forced to establish and maintain multiple custodial relationships—each with its own due diligence, custody agreements, and ongoing monitoring—that add operational complexity and cost without meaningfully improving reserve safety for a simple portfolio of Treasury bills. At the same time, a large issuer with $50 billion in reserves, complex multi-chain operations, and concentrated counterparty exposures could satisfy the same percentage thresholds while still maintaining risk concentrations that the fixed thresholds fail to address. Flat percentage caps also disproportionately harm large, well-capitalized issuers in a manner that perversely increases systemic risk. As an issuer scales, a rigid 40% cap forces it to move tens of billions of dollars in reserve assets away from the safest counterparties in the financial system—Federal Reserve Banks and G-SIBs subject to the most intensive prudential supervision in the world—and deposit those assets into progressively smaller, less-capitalized regional banks and custodians simply to satisfy a mathematical fraction. The marginal counterparty added at the 11th or 15th institution is, by definition, weaker than the Federal Reserve Bank or G-SIB the issuer was compelled to reduce exposure to—meaning the diversification mandate, at scale, systematically replaces safer counterparties with riskier ones. This is the opposite of sound prudential regulation. The OCC's diversification framework must therefore be tiered or calibrated by issuer size and actual loss-absorption capacity, rather than applied as a blunt, one-size-fits-all percentage that treats a $500 million issuer and a $50 billion issuer identically. A principles-based approach under Option A avoids both problems by allowing the OCC to tailor diversification expectations to each issuer's actual risk profile.

BitGo also supports the proposed 20-day weighted average maturity limit within the safe harbor as a reasonable constraint on interest rate risk. This limit is appropriately calibrated to ensure that reserve assets remain highly liquid while permitting issuers to earn a modest return that supports operational sustainability. BitGo recommends that the OCC confirm that the weighted average maturity calculation be performed on a portfolio basis, allowing issuers to hold a mix of maturities so long as the overall weighted average does not exceed the 20-day limit.

V. The Redemption Framework Requires Calibration to Avoid Unnecessary Market Disruption (Response to Questions Regarding § 15.12)

The proposed § 15.12 requirement that permitted payment stablecoin issuers redeem stablecoins at par value within two business days of a valid request reflects sound regulatory judgment. This standard achieves the GENIUS Act's objective of ensuring that stablecoins function as reliable payment instruments. However, the proposed stress-extension mechanism and the associated notification requirement require refinement to function effectively in practice without introducing unnecessary operational risk or market disruption.

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A. The Automatic 10% Stress-Extension Threshold Is Insufficiently Calibrated

The proposed rule automatically extends the redemption window from two business days to seven calendar days whenever redemption requests exceed 10% of an issuer's outstanding issuance value in any rolling 24-hour period. As proposed, this extension is non-discretionary: once the threshold is crossed, all pending and subsequent redemption requests are automatically subject to the seven-day window, without any assessment of whether the issuer's reserves are sufficient to honor requests within the standard two-business-day timeline.

BitGo respectfully submits that a flat 10% threshold, applied uniformly regardless of the issuer's size, reserve composition, or liquidity position, is not well-calibrated to the actual risk that the stress-extension mechanism is designed to address. For a large issuer with $10 billion in outstanding issuance, a $1 billion redemption request in a single 24-hour period would trigger the automatic extension—even if the issuer holds $2 billion in immediately available cash across multiple custodians and can demonstrably honor the full request within the standard two-business-day window. Triggering a seven-day extension under these circumstances would harm stablecoin holders who submitted valid redemption requests, undermine confidence in the stablecoin's reliability as a payment instrument, and potentially exacerbate rather than contain market stress. The automatic, non-discretionary character of the extension is particularly problematic: it removes the issuer's ability to demonstrate that its specific reserve composition and liquidity position are adequate to honor requests on the standard timeline.

As a threshold matter, the OCC should explicitly exempt from the automatic seven-day extension any issuer that maintains 100% of its reserves in overnight or immediate demand liquidity—such as balances held at a Federal Reserve Bank, demand deposits at eligible financial institutions, or uninvested cash. An issuer in this position can, by definition, honor any volume of redemption requests on the standard two-business-day timeline regardless of the percentage of outstanding issuance those requests represent. Forcing such an issuer into a mandatory seven-day freeze would not protect stablecoin holders—it would actively harm them by delaying redemptions the issuer is fully capable of honoring, signaling to the market that the issuer is under stress when it is not, and manufacturing precisely the confidence crisis and run dynamics the stress-extension mechanism is designed to prevent. A mandatory freeze on a fully liquid issuer destroys the stablecoin's utility as a reliable payment instrument and punishes the most conservatively managed issuers for the sins the OCC fears from less prudent ones. For issuers that do not qualify for the full exemption, BitGo recommends that the final rule modify the stress-extension mechanism to incorporate a reserve-adequacy assessment: an issuer that has crossed the 10% threshold should be permitted to notify the OCC within 24 hours that it can demonstrate, through a reserve composition report and liquidity attestation, that it is capable of honoring all pending requests within the two-business-day standard. The OCC should then have a defined period—for example, 12 hours from receipt of the notification—to affirmatively require the seven-day extension or to confirm that the issuer may proceed on the standard timeline. In the absence of an OCC instruction, the issuer should be permitted to proceed under the standard timeline while maintaining enhanced monitoring and reporting. This approach preserves the OCC's ability to impose the seven-day extension when warranted while avoiding unnecessary disruption to well-capitalized issuers during periods of elevated (but manageable) redemption activity.

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B. The Threshold Calculation Must Be Clarified for Multi-Brand Issuers

As BitGo has urged in Section II of this letter, the final rule should permit multi-brand issuance under a single legal entity with per-brand reserve segregation. If the OCC adopts this approach, as BitGo recommends, the rule must clarify how the 10% stress-extension threshold is calculated in a multi-brand context. BitGo submits that where per-brand reserves are fully segregated pursuant to the safeguards recommended in Section II, the 10% threshold must be calculated on a per-brand basis with reference solely to that brand's dedicated reserve pool and outstanding issuance. Imposing a cross-brand freeze under these circumstances would be operationally unjustified and harmful to innocent stablecoin holders. A redemption surge in "Brand A" should not trigger a mandatory seven-day freeze for "Brand B" whose reserves are independently segregated, fully funded, and wholly unaffected by the stress event. Such a cross-brand freeze would punish innocent stablecoin holders, breach the issuer's contractual redemption obligations to Brand B holders, and perversely manufacture the very contagion the stress-extension mechanism is designed to prevent—by signaling to the market that all brands issued by a single entity are operationally interdependent when, by regulatory design, they are not. The final rule must address this question expressly and confirm per-brand threshold calculation to avoid examination uncertainty and to preserve the integrity of the multi-brand issuance framework.

VI. Weekly Confidential Reporting Requirements Are Technically Unworkable (Response to § 15.14(h))

The OCC's proposed requirement under § 15.14(h) that permitted payment stablecoin issuers report weekly on the "100 persons that hold or trade the stablecoin the most" is fundamentally incompatible with the architecture of permissionless blockchain networks and must be struck from the final rule or, at a minimum, strictly limited in scope. Payment stablecoins issued on permissionless blockchains—which is the predominant and commercially essential deployment model—are freely transferable on secondary markets without the issuer's knowledge, involvement, or consent. The issuer has no contractual relationship with, no KYC data for, and no technological means of identifying the beneficial owners behind the vast majority of on-chain wallet addresses that hold or transact in its stablecoin. This requirement is unworkable for three independent reasons.

First, identification of beneficial owners behind on-chain addresses is technologically impossible under current permissionless blockchain architecture. A wallet address on a permissionless blockchain such as Ethereum is a pseudonymous string of 40-plus hexadecimal characters—e.g., 0x4E83362442B8d1bEc281594CEA3050c8EB01311C—that reveals nothing about the identity of the person or entity that controls it. The issuer has no technological means of linking that address to a beneficial owner unless the owner has established a direct customer relationship with the issuer through KYC onboarding. No mechanism exists on any major permissionless network to query or compel the disclosure of the identity behind a wallet address, and the issuer cannot manufacture information that the blockchain's design does not produce.

Second, the only alternative—third-party blockchain analytics—produces probabilistic attributions that are neither reliable nor comprehensive enough to serve as a basis for supervisory

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reporting. Such vendors can offer heuristic assessments (e.g., "this cluster of addresses may be associated with Exchange X based on observed transaction patterns"), but no vendor claims these attributions are definitive. Many of the largest holders employ multiple addresses, cold storage wallets, smart contract wallets, or privacy-preserving techniques that defeat attribution entirely, meaning even probabilistic analytics cannot produce a complete or accurate picture of beneficial ownership.

Third, requiring issuers to certify weekly reports based on speculative, probabilistic analytics would create an untenable compliance standard that exposes issuers to unwarranted enforcement risk. Issuers would be compelled to submit reports they know to contain unverified and potentially inaccurate data, exposing them to enforcement action for inevitable attribution errors that are not the product of negligence but of the fundamental design of permissionless networks. The resulting supervisory data would be affirmatively misleading—providing the OCC with a false sense of visibility into holder concentrations while obscuring the actual limitations of the underlying data—and would impose compliance costs wholly disproportionate to any conceivable supervisory benefit.

BitGo urges the OCC to limit this reporting obligation exclusively to direct, known customers of the issuer who have been officially onboarded through the issuer's KYC/BSA-AML processes—persons whose identity the issuer actually knows and can reliably report. Extending the obligation to secondary market participants whose identities are unknown to the issuer is not merely burdensome; it is a technologically unfeasible mandate that would result in speculative and misleading supervisory data, expose issuers to enforcement risk for inevitable reporting failures, and deter responsible institutions from issuing stablecoins under the federal framework.

VII. Transitioning State-Chartered Issuers Must Be Subject to Rigorous Pre-Transition Standards (Response to Questions Regarding § 15.15)

Under the GENIUS Act, State qualified payment stablecoin issuers with outstanding issuance exceeding $10 billion must transition to the federal regulatory framework.[14] This transition requirement is essential to ensuring consistent federal oversight of systemically significant stablecoin issuers. However, the final rule must ensure that transitioning state-chartered issuers do not enjoy a competitive advantage over institutions like BitGo that have operated under rigorous OCC supervision from inception.[15]

A. The Risk of Regulatory Arbitrage During the Pre-Transition Period

The transition framework creates a potential window for regulatory arbitrage. A state-chartered issuer can grow to $10 billion in outstanding issuance under a potentially less rigorous state supervisory regime before triggering the federal transition requirement. During this growth period, the issuer may have operated with less stringent capital requirements, less comprehensive BSA/AML programs, and less robust operational resilience standards than its federally chartered competitors. Granting such an issuer automatic equivalence upon transition would reward

[14] *See* 12 U.S.C. § 5903(d)(1) and (2) (transition requirements for state-chartered issuers exceeding $10 billion).

[15] *See* proposed § 15.15 (transitioning state-chartered issuers).

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regulatory arbitrage and penalize institutions that chose the more demanding federal path from the outset.

B. Comprehensive Pre-Transition Examinations Are Essential

BitGo urges the OCC to require that transitioning state-chartered issuers undergo comprehensive pre-transition examinations covering capital adequacy, liquidity management, operational resilience, and BSA/AML compliance before they are permitted to operate under the federal framework. A transitioning issuer that has operated under less rigorous state oversight should not be granted automatic equivalence with institutions that have invested substantial resources in meeting OCC standards from day one.

The OCC should also require that transitioning issuers meet the same capital, liquidity, and operational requirements applicable to new federal applicants, with a defined remediation period (e.g., 180 days) if shortfalls are identified during the pre-transition examination. This remediation period should include enhanced supervisory monitoring and restrictions on growth until the issuer demonstrates full compliance with OCC standards. The transition framework should not create a "fast track" to federal status that bypasses the rigorous application and examination process that new federal applicants must complete.

C. The Proposed Six-Month Examination Grace Period Must Be Eliminated.

The OCC's proposed framework contemplates that the initial examination of a transitioning issuer would occur no later than six months after the transition notification—meaning a state-chartered issuer could operate under federal status, fully unexamined by the OCC, for up to six months. This is unacceptable. The grace period must be collapsed to zero: the OCC's comprehensive examination must conclude before or concurrently with the transition date, not months afterward. Permitting state-chartered competitors to hold themselves out as federally supervised institutions—enjoying the full reputational and market benefits of OCC oversight—while remaining entirely unexamined by the OCC for half a year fundamentally undermines competitive equity in the federal stablecoin framework. It creates a massive competitive disadvantage for institutions like BitGo that have voluntarily subjected themselves to rigorous OCC supervision from inception, invested heavily in building federal-grade compliance infrastructure from day one, and undergone thorough examination as a precondition to commencing operations. Competitive equity demands that transitioning issuers demonstrate to the OCC that they satisfy the exact same standards that native federal institutions are required to meet before they are permitted to operate—not six months after they have already begun competing in the market under the federal imprimatur. The OCC should not permit the transition framework to create a two-tier system in which state-chartered issuers enjoy the market credibility of federal status without first earning it through the same rigorous examination process that institutions like BitGo completed before commencing operations.

VIII. The OCC Should Subject Applications for Captive Self-Custody Charters to Heightened Scrutiny (Response to Question 168 and Questions Regarding § 15.30)

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The OCC should carefully scrutinize, and in appropriate cases decline, applications for national trust bank charters where the applicant's sole or predominant purpose is to custody stablecoin reserves for an affiliated issuer rather than to provide custody services to unaffiliated clients in the broader market.

A. Captive Charters Represent Regulatory Arbitrage Without Corresponding Public Benefit

A national trust bank charter is a grant of federal supervisory standing that carries significant reputational and operational advantages: access to the federal payments system, recognition as a regulated entity under applicable law, and the imprimatur of OCC supervision. These benefits exist to facilitate the provision of financial services to the public—not to serve as a cost-reduction mechanism for affiliated stablecoin issuers seeking to eliminate third-party custody expenses.

An applicant whose charter application contemplates serving only a single affiliated issuer's reserve custody needs has not entered the financial services market in any meaningful sense. It has not subjected itself to competitive pricing discipline, arm's-length counterparty due diligence, or the market accountability that comes from serving clients whose interests are independent of the institution's own. Such an entity imposes supervisory costs on the OCC—regular examinations, ongoing reporting obligations, BSA/AML compliance oversight—without generating the public benefits that justify the allocation of those resources.

The OCC's supervisory capacity is finite. Every examination cycle devoted to a captive single-purpose vehicle custodying reserves exclusively for its own affiliate is an examination cycle that cannot be allocated to institutions providing custody, settlement, and financial services to the broader public. The OCC should be explicit in the final rule and accompanying guidance that captive self-custody structures are not the intended beneficiaries of the national trust bank charter framework and will receive heightened scrutiny accordingly.

B. Self-Custody Does Not Achieve Meaningful Separation of Issuance and Custody Functions

One of the core structural objectives of a robust stablecoin regulatory framework is the meaningful separation of the issuance function from the custody function. When reserves are held at an independent, regulated custodian with its own fiduciary obligations, its own supervisory relationship with the OCC, and its own financial interest in maintaining the integrity of the custodial relationship, stablecoin holders benefit from a genuine check on the issuer's behavior. The custodian's institutional independence provides a layer of protection that is absent when the issuer and its captive custody vehicle operate as a single integrated enterprise.

An issuer that establishes a captive trust bank for the sole purpose of holding its own reserves has not achieved meaningful separation—it has recharacterized a single integrated operation as two affiliated entities for regulatory purposes while retaining complete operational and economic control over both. The custody function in such a structure is not independent; it is a wholly-owned extension of the issuer's own operations, dressed in the regulatory clothing of a national bank charter.

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C. Captive Charters Introduce Unacceptable Conflicts of Interest and Contagion Risk

Captive self-custody structures present a fundamental conflict of interest that is irreconcilable with the safety and soundness objectives of the GENIUS Act. When an issuer establishes an affiliated trust bank for the sole purpose of custodying its own reserves, the custodian's fiduciary obligations to stablecoin holders are structurally compromised by the custodian's economic dependence on, and organizational subordination to, the issuer. An independent, third-party custodian owes legally enforceable fiduciary duties to the beneficial owners of custodied assets—duties of loyalty, care, and segregation that operate as a critical check against issuer misconduct, commingling of reserves, or reckless reserve allocation. A captive custodian, by contrast, has neither the institutional independence nor the economic incentive to challenge the directives of its parent issuer, even when those directives conflict with the interests of stablecoin holders. BitGo respectfully submits that this structural conflict of interest is incompatible with the grant of a national bank charter.

The GENIUS Act's framework contemplates a meaningful separation between the issuance function and the reserve custody function—a structural safeguard designed to ensure that stablecoin holders' reserves are protected by an independent fiduciary whose interests are aligned with holders, not with the issuer. A captive self-custody structure wholly defeats this statutory intent. If the parent issuer faces financial distress, operational failure, or regulatory action, the captive custodian—dependent on the same management, the same capital structure, and the same operational infrastructure—is exposed to identical contagion risk. The custodian cannot serve as an independent bulwark against the issuer's distress when the custodian is itself a subsidiary of the distressed entity. This contagion risk is not theoretical: in every significant financial services failure involving affiliated custody arrangements, the custody function has been compromised precisely because the custodian lacked the institutional independence to resist the parent entity's demands for access to, or recharacterization of, custodied assets. An independent, regulated custodian with its own supervisory relationship, its own capital base, and its own fiduciary obligations provides the structural separation that stablecoin holders require—and that the GENIUS Act demands.

Multiple well-capitalized, OCC-supervised national trust banks already exist and are prepared to provide stablecoin reserve custody services to issuers of all sizes. The market for compliant, regulated, independent custody is competitive and accessible. There is no regulatory gap that captive self-custody structures are needed to fill. What these structures eliminate is not a market failure but the independent fiduciary check that protects stablecoin holders—replacing it with an organizational arrangement in which the entity responsible for safeguarding reserves is economically and operationally controlled by the entity whose conduct the custodian is supposed to monitor. The OCC should not grant national bank charters to facilitate this outcome.

D. Concrete Regulatory Recommendations

BitGo urges the OCC to address captive self-custody structures through the following measures in the final rule and accompanying supervisory guidance:

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First, the OCC should require any applicant for a national trust bank charter whose stated business plan includes custody of stablecoin reserves for an affiliated issuer to affirmatively demonstrate, as a condition of charter approval, a bona fide intention to provide custody services to unaffiliated clients. A credible demonstration would include specific evidence of unaffiliated client commitments, a business development plan identifying target unaffiliated clients, and financial projections showing meaningful unaffiliated revenue within a defined period not to exceed 24 months following charter approval.

Second, the OCC should impose enhanced minimum capital requirements on national trust banks that, at any point following charter approval, derive more than 50% of their custody revenues from a single affiliated issuer. These enhanced requirements should reflect the heightened concentration risk, reduced market accountability, and potential for operational underinvestment that characterize single-purpose captive structures.

Third, the OCC should impose examination fee surcharges on captive institutions that fail to demonstrate meaningful service to unaffiliated clients within the timeframes specified at charter approval, reflecting the supervisory burden of overseeing institutions that provide no corresponding public benefit and have no external market accountability to supplement the OCC's supervisory oversight.

Fourth, the OCC should require captive institutions to disclose annually the percentage of their custody revenues derived from affiliated versus unaffiliated clients, with this information made available to the public as part of the OCC's commitment to transparency in the national bank charter framework.

IX. Custody Rules Must Accommodate Cryptographic Sub-Ledgering Within Omnibus Accounts (Response to Question 158)

BitGo strongly supports the OCC's proposal in § 15.22(b) to permit covered custodians to utilize omnibus accounts for covered assets.[16] We urge the OCC to go further in the final rule and explicitly recognize that cryptographically segregated omnibus accounts satisfy the segregation and separate accounting requirements of §§ 15.21 and 15.22.[17]

A. The OCC Should Explicitly Recognize Cryptographic Sub-Ledgering Under § 15.22(b)

Modern digital asset custody relies on mathematically verifiable on-chain segregation through omnibus wallets tied to strict internal ledger systems that track beneficial ownership with cryptographic precision.[18] In practical terms, this means that even though multiple customers' assets may be held in the same blockchain address (the "omnibus wallet"), the custodian maintains real-time internal records—continuously reconciled against the blockchain itself—showing exactly which customer owns which portion of the assets at every moment. This is not a matter of accounting convention; it is mathematically verifiable by any party with access to the

[16] *See* proposed § 15.22(b) (omnibus accounts for covered custodians).

[17] *See* 12 U.S.C. § 5909(b), (c), and (d) (custody requirements under the GENIUS Act).

[18] NPRM Question 158 (requesting comment on custody account structures).

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distributed ledger. This architecture allows custodians to maintain verifiable segregation while optimizing operational efficiency, security, and cost management. Without explicit regulatory recognition that cryptographic sub-ledgering satisfies § 15.22(b), examination teams may interpret the rule to require account structures that are operationally incompatible with digital asset technology.

The distinction between traditional and digital asset custody is fundamental. In traditional finance, segregation is achieved through separate account numbers in a centralized ledger maintained by a single institution. In digital asset custody, segregation can be achieved through cryptographic proofs that are mathematically verifiable by any party with access to the distributed ledger—providing a higher level of auditability and transparency than traditional methods. The OCC's rule should recognize this technological advancement rather than requiring custodians to replicate the limitations of legacy systems.

B. Fragmented 1:1 Wallet Requirements Would Impose Disproportionate Costs

If the custody framework were interpreted to require separate on-chain wallets for every customer or reserve pool, it would impose significant operational burdens that far exceed any corresponding consumer protection benefit. Maintaining thousands of separate on-chain wallets creates three critical problems. First, network transaction costs become commercially prohibitive—every deposit, withdrawal, or rebalancing operation requires separate on-chain transactions, multiplying network fees substantially. On high-fee networks, these costs could exceed the economic value of smaller custody relationships, effectively excluding smaller institutions from the stablecoin ecosystem. Second, liquidity becomes fragmented across separate wallet balances for each customer, creating artificial constraints that degrade service quality and increase settlement times. Third, the security surface area expands significantly: instead of securing a small number of omnibus wallets with enterprise-grade multi-signature controls and hardware security modules, custodians would manage thousands of separate private keys, increasing key management complexity and attack vectors.

C. Cryptographic Segregation Provides Strong Customer Protection

In BitGo's omnibus custody architecture, customer assets are segregated through immutable blockchain ledgers providing cryptographic proof of ownership and transfer history, real-time internal sub-ledgers tracking beneficial ownership with precision and continuously reconciling against on-chain positions, multi-signature wallet controls requiring cryptographic authorization from multiple independent key holders, and automated compliance monitoring that flags any deviation from expected customer balances. This architecture provides transparency, auditability, and protection that meets or exceeds what legacy banking systems achieve through separate paper accounts and manual reconciliation.

D. The OCC Should Adopt Principles-Based Segregation Standards

Rather than prescribing specific account structures, the OCC should establish principles-based segregation requirements permitting custodians to demonstrate compliance through any method achieving the regulatory objectives of customer protection and asset segregation. The OCC

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should also confirm that covered custodians may hold covered assets (such as payment stablecoins) and non-covered digital assets (such as other cryptocurrencies) within the same omnibus wallet structures, provided that internal cryptographic sub-ledgering mathematically segregates each asset class and each customer's beneficial ownership at all times. This flexibility is essential for institutional custodians like BitGo that provide integrated trading, settlement, and custody services across multiple digital asset classes—requiring separate on-chain wallets for covered and non-covered assets would fragment liquidity, increase transaction costs, and degrade settlement efficiency without any corresponding improvement in customer protection, since the same cryptographic sub-ledgering technology that segregates one customer's assets from another's is equally capable of segregating covered from non-covered assets within a single omnibus structure. The final rule should confirm that custodians satisfy segregation requirements if they can demonstrate: (1) verifiable beneficial ownership tracking through auditable ledger systems; (2) immediate identification and remediation of any commingling; (3) mathematical proof that customer assets are segregated from custodian proprietary assets; and (4) real-time reporting of customer balances and custodian positions. This technology-neutral approach would allow custodians to utilize omnibus wallet structures that optimize security and efficiency while achieving the OCC's consumer protection objectives, and would ensure that the regulatory framework remains adaptable as custody technology continues to evolve.

E. National Trust Banks Must Be Recognized as Eligible Financial Institutions Without Qualification

BitGo has invested substantial resources in building enterprise-grade custody infrastructure precisely because the national trust bank charter provides the regulatory framework appropriate for fiduciary custody of digital assets. Permitting incumbent depository banks to exclude trust bank competitors from the reserve custody market would undermine the competitive neutrality that the GENIUS Act's framework contemplates and would harm stablecoin issuers by reducing their options for compliant, regulated custody.

Any effort to narrow the definition of eligible financial institution to exclude non-depository national trust banks—whether through rulemaking, interpretive guidance, or supervisory practice—would contravene the plain text of the statute, reduce competition in the reserve custody market, and concentrate reserve custody in a small number of large depository institutions that may lack the specialized digital asset custody infrastructure that national trust banks like BitGo have developed. The OCC should affirmatively reject any such narrowing and confirm that national trust banks are eligible to custody stablecoin reserves on the same terms as depository institutions, subject to the same prudential requirements.

BitGo urges the OCC to confirm explicitly in the final rule that national trust banks chartered under 12 U.S.C. § 27(a), including uninsured national trust banks that do not accept demand deposits or extend commercial credit, qualify as "eligible financial institutions" for purposes of holding stablecoin reserves under the GENIUS Act and Part 15. The GENIUS Act's definition of eligible financial institution encompasses federally supervised banking organizations, and national trust banks are unambiguously within this category.

F. Reserve Custody Should Require Fiduciary Duties Regardless of Custodian Charter Type

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The proposed rule creates a fundamental asymmetry in the legal treatment of stablecoin reserves based on the type of custodian the issuer selects. When reserves are held at a national trust bank, they are held in a fiduciary capacity, legally segregated from the custodian's proprietary assets and held for the exclusive benefit of stablecoin holders. When reserves are held as ordinary deposits at a depository bank, by contrast, those funds become general liabilities of the bank—assets of the bank's estate available to satisfy all creditors in an insolvency, not a segregated pool held in trust.

This distinction creates a competitive asymmetry that disadvantages trust banks operating under heightened fiduciary standards. It also provides weaker protection for stablecoin holders, whose interests are best served when reserves are held in a legally segregated, fiduciary capacity rather than as general obligations of a credit-extending institution. The practical consequences of this distinction are stark. When stablecoin reserves are held as general deposits at a depository bank, those funds become assets of the bank's estate in the event of the bank's insolvency, subject to the FDIC's receivership and claims-priority framework. The stablecoin issuer (and through it, stablecoin holders) would stand in line with other general creditors of the failed bank, potentially recovering cents on the dollar over a multi-year receivership process. By contrast, when reserves are held in a fiduciary capacity at a national trust bank, fiduciary assets are not property of the trust bank's estate in insolvency. Instead, they pass through to beneficial owners outside the receivership process entirely, because they were never the trust bank's assets to begin with. This is not a marginal difference in legal treatment. It is the difference between full recovery and potential total loss for stablecoin holders. The OCC should level the playing field by requiring that any institution custodying stablecoin reserves—whether a trust bank or a depository bank—do so in a fiduciary capacity, with reserves legally segregated and held for the exclusive benefit of stablecoin holders. This requirement would ensure that stablecoin holders receive consistent protection regardless of the issuer's choice of custodian, while eliminating the artificial advantage that depository banks currently enjoy by offering non-fiduciary deposit products that provide weaker holder protections.

By contrast, when stablecoin reserves are held as ordinary deposits at an FDIC-insured depository bank, the depositor (the stablecoin issuer) is a general creditor of the bank, not the beneficiary of a fiduciary relationship. The deposit represents a liability of the bank, not a segregated asset held in trust. In the event of the depository bank's failure, the depositor's claim is subject to the FDIC's receivership and claims-priority framework, and any amount exceeding FDIC insurance limits is at risk of loss.

As a national trust bank, BitGo BT holds client assets in a fiduciary capacity: reserves are legally segregated from BitGo's proprietary assets, BitGo owes enforceable fiduciary duties to the beneficial owners of those reserves, and in the event of BitGo's insolvency, fiduciary assets are not available to satisfy BitGo's general creditors. These protections arise automatically from BitGo's trust bank charter and the fiduciary relationship it establishes with its clients.

BitGo recommends that the OCC require all covered custodians holding stablecoin reserves—regardless of whether the custodian is a national trust bank, a state-chartered trust company, or an FDIC-insured depository institution—to hold such reserves in a fiduciary capacity, subject to

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the duties of loyalty, care, and segregation that apply to fiduciary assets under applicable law.

G. Cryptographic Sub-Ledgering Satisfies Sub-Custodian Oversight Requirements

Proposed § 15.21(b) permits covered custodians to use sub-custodians, subject to the requirement that the custodian maintain adequate safeguards and internal controls over sub-custodial arrangements. BitGo strongly supports this flexibility and urges the OCC to confirm in the final rule that cryptographic sub-ledgering (the mathematically verifiable tracking of beneficial ownership through on-chain proofs and real-time internal ledger reconciliation) inherently satisfies the adequate safeguards and internal controls standard for sub-custodian oversight under § 15.21(b). BitGo's institutional custody architecture routinely involves multi-tier custodial arrangements in which BitGo serves as the primary custodian for institutional clients while utilizing sub-custodial relationships for specific operational functions such as cold storage distribution, geographic redundancy, and blockchain-specific key management. In each of these arrangements, BitGo's cryptographic sub-ledgering system maintains continuous, mathematically verifiable proof of the location, ownership, and segregation status of every custodied asset across every sub-custodian in the chain—a level of transparency and auditability that far exceeds what traditional manual compliance reviews and periodic reconciliation processes can achieve. The OCC should not interpret § 15.21(b) to require duplicative manual compliance checks—such as paper-based reconciliation reports, periodic manual audits, or redundant human-review processes—where cryptographic sub-ledgering already provides continuous, real-time, mathematically verifiable oversight that is superior to any manual alternative. Imposing duplicative manual controls on top of cryptographic verification would add cost without any corresponding improvement in asset safety or customer protection, and would disadvantage digital-native custodians like BitGo whose technology inherently provides the oversight that traditional custodians must achieve through labor-intensive manual processes. BitGo urges the OCC to adopt maximum flexibility in its interpretation of sub-custodial oversight requirements under § 15.21(b), and to confirm that covered custodians may satisfy the adequate safeguards standard through any combination of cryptographic, technological, and procedural controls that provides verifiable asset segregation, real-time beneficial ownership tracking, and immediate identification of any deviation from expected custodial positions. Overly prescriptive sub-custodial requirements risk inadvertently disrupting BitGo's B2B institutional custody operations, which serve financial institutions, asset managers, and enterprise clients that depend on multi-tier custodial arrangements for operational efficiency and security, without any corresponding benefit to the safety or soundness of the stablecoin ecosystem.

X. The Capital Election for Uninsured National Trust Banks Should Be Adopted and Clarified (Response to Questions Regarding § 15.41)

The OCC's proposal to permit uninsured national trust banks to elect to comply with the Part 15 minimum capital and backstop requirements in lieu of Part 3 is the right approach. [19] This election is essential for enabling existing national trust banks to participate in the stablecoin market on a level playing field with non-bank permitted payment stablecoin issuers that would not be subject to Part 3.

[19] *See* proposed § 15.41 (capital election for uninsured national trust banks).

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A. Part 3 Capital Requirements Create an Unjustified Competitive Asymmetry

Under current Part 3 requirements, the capital a national trust bank must hold may be significantly in excess of what would be required for other types of permitted payment stablecoin issuers under the proposal. This asymmetry would disadvantage the most heavily supervised institutions in the stablecoin market and create a presumably unintended incentive for institutions to seek stablecoin charters outside the national bank framework—precisely the opposite of the GENIUS Act's objective of bringing stablecoin issuance under robust federal supervision.

The Part 3 framework was designed for institutions whose primary activity is extending credit and accepting deposits—activities that generate the credit risk, interest rate risk, and leverage risk that capital requirements are designed to mitigate. A payment stablecoin issuer's core activity is maintaining a 1:1 reserve of high-quality liquid assets against outstanding stablecoin liabilities—a fundamentally different risk profile that does not generate the same categories of risk. Applying bank-centric capital requirements to this activity would require stablecoin issuers to hold capital against risks they do not assume, reducing the capital available for operational resilience and technology investment.

B. The Bifurcation Alternative Is Operationally Impracticable

The OCC's alternative approach of bifurcating stablecoin operations from other trust bank operations for capital calculation purposes would be impractical to operationalize, as the OCC itself acknowledges in the NPRM.[20] BitGo's stablecoin issuance activities share unified blockchain node infrastructure, consolidated treasury operations, integrated hardware security module (HSM) key management systems, and enterprise-wide cybersecurity controls with our custody, trading, and settlement services. The same hardware security modules that would secure private keys for stablecoin minting and burning also secure keys for custody client wallets, staking operations, and trading settlement. These HSMs are distributed across multiple geographically separated data centers operating under unified key-management protocols and firmware. The same cybersecurity operations center monitors threats to all activities. The same blockchain node infrastructure validates transactions across all service lines. There is no operationally meaningful way to segregate "stablecoin HSM capacity" from "custody HSM capacity"—they are the same machines running the same software, and any attempt to artificially divide them would require duplicating enterprise-grade security infrastructure at enormous expense while actually fragmenting security protocols and weakening protection.

C. The Election Should Be Available Through a Streamlined Process

We request that the final rule: (a) confirm that the Part 15 capital election is available to all uninsured national trust banks from the effective date of the rule, through a streamlined 30-day notice process with defined and limited "good cause" objection criteria; (b) decline to adopt the bifurcation alternative; (c) specify that the OCC will provide written confirmation of the election's effectiveness within the 30-day period, or the election will be deemed effective absent

[20] NPRM at 10244 (acknowledging the impracticality of bifurcation).

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a written objection; (d) explicitly grandfather any existing regulatory capital instruments issued by uninsured national trust banks that elect to comply with the Part 15 framework, so that electing institutions are not forced to undertake costly and unnecessary restructurings of their existing capital stacks solely as a consequence of the election; and (e) reduce the proposed 12-month operational backstop requirement to a maximum of six months of projected operating expenses—a timeframe the OCC itself acknowledges falls within its standard range—and explicitly permit the backstop to be held in yield-bearing U.S. Treasury bills rather than uninvested cash, recognizing that short-dated Treasury bills are among the most liquid instruments in the world and that requiring issuers to trap substantial working capital in non-yielding accounts imposes a material and unjustified drag on operational sustainability. This approach provides regulatory certainty while preserving the OCC's ability to object in cases where legitimate safety and soundness concerns exist.

D. FDIC Insurance Provides No Meaningful Protection for Stablecoin Reserves

As detailed in Section IX.F, FDIC deposit insurance provides no meaningful protection for stablecoin reserves at any commercially significant scale—coverage of $250,000 per depositor represents a fraction of a percent of reserves for any issuer above $100 million. The critical implication for the OCC's capital framework is that the presence or absence of FDIC insurance is not a meaningful differentiator of risk for stablecoin reserve custodians, and should not serve as a basis for imposing compensating capital requirements or additional supervisory burdens on uninsured national trust banks.

BitGo BT is ineligible for FDIC deposit insurance not because we declined coverage, but because we do not engage in the credit-extending and deposit-taking activities that deposit insurance is designed to protect against. National trust banks that custody assets in a fiduciary capacity (as opposed to lending out depositor funds and relying on fractional reserves) present a fundamentally different risk profile than commercial banks. We hold client assets in segregated, fiduciary accounts; we do not lend them out; and we do not create the asset-liability mismatch that makes deposit insurance necessary for credit-extending institutions. The absence of FDIC insurance is a feature of BitGo's safer fiduciary model, not a deficiency—and any capital framework that treats it as a deficiency requiring compensating add-ons would perversely penalize the safest custodial structure available for stablecoin reserves.

The OCC's capital and supervisory framework for stablecoin issuers must reflect these realities. An uninsured national trust bank that holds reserves in a fiduciary capacity, with full segregation and no credit extension, provides stablecoin holders with protections that are superior to those provided by an FDIC-insured depository bank holding the same reserves as general deposits subject to the bank's credit risk. Imposing additional capital requirements on national trust banks solely because they lack FDIC insurance—insurance that, as demonstrated in Section IX.F, provides negligible protection at scale—would create an unjustified competitive asymmetry that rewards institutions whose business models generate the very asset-liability mismatch risks that stablecoin holders should be protected from.

BitGo urges the OCC to confirm in the final rule that the absence of FDIC insurance for national trust banks is not a basis for heightened capital requirements, enhanced supervisory burdens, or

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any other compensating regulatory obligation. The OCC's capital framework should evaluate custodian safety based on actual risk profile—fiduciary segregation, absence of credit extension, and lack of asset-liability mismatch—not on whether the institution participates in a deposit insurance program designed for an entirely different business model.

E. The 12-Month Operational Backstop Is Capital Inefficient and Must Be Reduced to Six Months

The OCC's proposed requirement that permitted payment stablecoin issuers maintain a 12-month operational backstop—equivalent to a full year of projected operating expenses held in non-yielding cash or cash equivalents—is without precedent in financial services regulation and imposes a capital burden that is wholly disproportionate to the regulatory objective it is designed to achieve. BitGo urges the OCC to reduce the backstop requirement to a maximum of six months of projected operating expenses and to explicitly permit that backstop to be held in short-dated U.S. Treasury bills.

The stated purpose of the operational backstop is to ensure that a permitted payment stablecoin issuer has sufficient resources to execute an orderly wind-down, restructuring, or operational transfer in the event the issuer ceases operations. Six months is the established industry standard for this purpose. Technology and digital asset infrastructure companies—including regulated digital asset custodians, fintech payment platforms, and national trust banks—routinely plan operational continuity and wind-down scenarios around a six-month runway. This standard reflects the time actually required to execute an orderly transfer of customer accounts and digital assets to a successor custodian, comply with applicable notification and regulatory approval requirements, wind down or transfer contractual obligations to distribution partners, and complete required regulatory reporting and final examinations. A 12-month backstop is not calibrated to the time required for an orderly wind-down of a payment stablecoin issuer—it is simply twice the operationally necessary amount, with no demonstrated regulatory basis for the doubling. The OCC's own NPRM acknowledges that a six-month backstop falls within the range the OCC has considered, which confirms that six months is a reasonable and well-grounded benchmark. The OCC offers no evidence that six months would be insufficient to protect stablecoin holders in a wind-down scenario, nor does it articulate any wind-down activity that would require the additional six months of capital that the 12-month requirement mandates. The capital efficiency costs of the 12-month requirement are severe and fall disproportionately on federal issuers—and are compounded by a fundamentally flawed assumption in the OCC's own Economic Analysis. The NPRM estimates the operational backstop at "0.40% of outstanding stablecoins," implicitly assuming that operational expenses scale linearly with issuance volume. This assumption is demonstrably wrong. The core infrastructure required to operate a payment stablecoin—enterprise-grade hardware security modules, blockchain node clusters, cybersecurity operations centers, treasury management systems, compliance monitoring platforms, and the specialized personnel who operate them—is substantially the same whether the issuer has $5 billion or $50 billion in outstanding issuance. Safeguarding a $50 billion stablecoin does not require ten times the HSMs, ten times the compliance officers, or ten times the cybersecurity engineers of a $5 billion stablecoin; the marginal operational cost of each additional billion in issuance is a fraction of the cost of the first billion. Tying a 12-month backstop to this flawed linear assumption means that as a federal issuer like BitGo scales—

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precisely the growth trajectory the GENIUS Act is designed to encourage—it is forced to trap exponentially larger, wholly unjustified sums of working capital in idle, non-yielding reserves that bear no relationship to actual operational wind-down costs. Capital that could otherwise be deployed to fund technology investment, reserve management infrastructure, compliance systems, and the operational resilience capabilities that stablecoin holders actually depend upon is instead sterilized by a formula untethered from economic reality. State-chartered stablecoin issuers below the $10 billion federal transition threshold face no comparable backstop requirement under most state frameworks, and offshore stablecoin issuers face none at all. The 12-month requirement thus creates a direct and unjustified competitive disadvantage for the most heavily supervised institutions in the market—precisely the institutions the GENIUS Act seeks to encourage to issue stablecoins under federal supervision. If the OCC's assessment fees and operational capital requirements make federal stablecoin issuance materially more expensive than state or offshore alternatives, the inevitable market response is regulatory arbitrage away from the federal framework—the exact outcome the GENIUS Act was designed to prevent.

The OCC should also explicitly permit the six-month backstop to be held in short-dated U.S. Treasury bills maturing within 90 days. The operational purpose of the backstop—ensuring the issuer has liquidity to fund an orderly wind-down—is fully satisfied by short-dated Treasury bills, which are the most liquid instruments in the global financial system. Treasury bills can be converted to cash within one business day through any primary dealer or through the Federal Reserve's open market operations, and they carry zero credit risk. There is no plausible wind-down scenario in which the difference between holding the backstop in cash versus 90-day Treasury bills would impair the issuer's ability to fund its operations. By contrast, requiring issuers to hold the backstop in non-yielding cash imposes a material and ongoing drag on operational sustainability: at current interest rates, trapping six months of operating expenses in uninvested cash rather than Treasury bills represents a significant and entirely unnecessary opportunity cost that compounds each year the backstop requirement remains in effect. Permitting the backstop to be held in Treasury bills would eliminate this drag without any corresponding reduction in the protection the backstop is intended to provide. The OCC has implicitly recognized this logic in its treatment of stablecoin reserves themselves, which may be held in short-dated Treasury securities under the GENIUS Act's reserve asset framework. There is no principled basis for applying a more restrictive standard to the operational backstop than to the reserve assets themselves, when both serve liquidity-assurance functions and both are equally well-served by Treasury bills.

XI. Assessment Fees Must Reflect the Passive Nature of Reserve Management (Response to Questions 194 and 195)

The proposed 35% assessment fee discount for stablecoin reserve assets substantially understates the actual supervisory burden differential between passive reserve portfolios and traditional bank credit assets, and the assessment structure's linear scaling above any issuance threshold creates barriers to scale that directly undermine the GENIUS Act's objective of attractive large-scale stablecoin issuance into the federal supervisory framework. For the reasons set forth below, we

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urge the OCC to adopt the maximum 55% discount contemplated in the NPRM and to impose a hard cap on assessment fees above the $10 billion issuance threshold.[21]

A. The Discount Should Reflect the Reduced Supervisory Burden of Reserve Assets

Reserve assets backing payment stablecoins are fundamentally different from traditional bank assets in ways that substantially reduce supervisory complexity.[22] Under the GENIUS Act's 1:1 reserve requirement, permitted issuers hold only cash, short-term U.S. Treasury securities, and other high-quality liquid assets that pose minimal credit risk, require no loan-loss provisioning, involve no underwriting decisions, and generate no complex valuation disputes. These are passive, transparent holdings verifiable through automated systems and monthly attestation reports.

In contrast, traditional bank supervision requires intensive examination of credit portfolios, loan classification, borrower financial condition, collateral valuations, and complex risk management frameworks. The marginal cost to the OCC of supervising an additional billion dollars in passive Treasury holdings is substantially lower than for an equivalent amount of commercial loans or other credit products.

The proposed 35% discount implies that supervising stablecoin reserves requires 65% of the resources needed for traditional bank assets.[23] BitGo respectfully submits that this does not adequately account for the reduced supervisory burden and urges the OCC to adopt the maximum 55% discount contemplated in the NPRM.

B. Asset-Based Assessment Fees Should Be Subject to Caps

The OCC's proposed structure of charging basis-point fees on total reserve assets creates a scaling concern that the OCC itself identifies, acknowledging that fee caps may be appropriate when assessment revenues become disproportionate to marginal supervisory costs.[24] The OCC's assessment structure for traditional banks reflects the reality that larger loan portfolios require proportionally more examiner hours to evaluate credit quality, collateral adequacy, and borrower financial condition. That logic does not translate to stablecoin reserves. Unlike traditional bank assets, where asset growth corresponds to increased lending complexity and supervisory burden, stablecoin reserve assets scale without a corresponding increase in supervisory complexity. A $50 billion portfolio of segregated Treasury bills is not fifty times more complex to examine than a $1 billion portfolio—it is functionally the same examination, repeated against a larger balance. Examining $10 billion in segregated Treasury securities held by a qualified custodian requires substantially the same OCC resources—the same attestation review protocols and reserve verification procedures—as examining $100 billion in identical securities held under the same

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[21] *See* proposed § 15.11(c) (reserve asset diversification); NPRM Questions 194 and 195 (assessment fees).

[22] *See* 12 U.S.C. § 5903(a)(1)(A) (setting forth the GENIUS Act's 1:1 reserve requirement and permissible reserve asset types).

[23] NPRM at 10248 (discussing the proposed 35% discount and maximum 55% discount for stablecoin reserve assets).

[24] *See* NPRM Question 195 ("[F]ee caps may be appropriate when assessment revenues become 'disproportionate to the marginal cost of supervising GENIUS Act-related activities.'").

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procedures. The reserve verification procedures are identical; the attestation review protocols are identical; the only variable is the number of digits on the balance sheet. Linear fee scaling above $10 billion would not constitute cost recovery for supervision—it would constitute a tax on scale that punishes issuers for commercial success.

BitGo urges the OCC to establish a hard cap on assessment fees for reserve assets, such that fees plateau once stablecoin issuance reaches $10 billion. The operational reality is straightforward: reviewing a SOC 1 Type 2 attestation and monthly reserve composition reports for a $5 billion portfolio of segregated U.S. Treasury securities held by a qualified custodian requires the exact same number of OCC examiner hours as reviewing those same reports for a $50 billion portfolio of identical securities held under the same custody procedures and attestation framework. The attestation is the same length, the reserve verification protocols are the same, and the examination procedures are the same—the only difference is the number of zeros on the balance. There is no principled basis for scaling assessment fees linearly above $10 billion when marginal supervisory costs are functionally flat. BitGo accordingly rejects any tiered scaling structure above the $10 billion threshold as bearing zero relation to actual supervisory resource requirements. Without a hard cap, assessment fees will inevitably become grossly disproportionate to marginal supervisory costs at scale, which could make large-scale federal stablecoin issuance commercially uncompetitive relative to state-chartered or offshore alternatives—directly undermining the GENIUS Act's objective of concentrating stablecoin issuance within the federal supervisory framework.

C. Excessive Assessment Fees Risk Regulatory Arbitrage

Permitted payment stablecoin issuers will compete directly against state-chartered issuers (until they reach the $10 billion federal transition threshold) and against offshore stablecoin products that face no comparable assessment fees. If the OCC's assessment fees make federal stablecoin issuance significantly more expensive than state-chartered or offshore alternatives, the predictable market response will be regulatory arbitrage away from the federal framework, directly undermining the GENIUS Act's objective of bringing stablecoin issuance under federal supervision.

BitGo operates under multiple international regulatory regimes and observes that comparable foreign digital asset regulatory regimes take a different approach to supervisory fees. For example, under the EU's Markets in Crypto-Assets Regulation (MiCA), the EBA determines its aggregate supervisory fee pool for significant e-money token issuers using an activity-based cost model, meaning the total fees collected reflect actual supervisory expenditure rather than scaling mechanically with token issuance volume. Individual issuer fees are then allocated in proportion to issuance size, but because the overall pool is cost-driven, the per-issuer burden does not increase linearly with market growth. Similarly, the Monetary Authority of Singapore's licence fees for major payment institutions under the Payment Services Act are flat, fixed amounts assessed per licensed payment service type, with no variable component tied to transaction volume or the total value of assets under custody.

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D. Specific Recommendations

BitGo respectfully urges the OCC to: (1) adopt the maximum 55% discount for stablecoin reserve assets; (2) establish caps on assessment fees above specified issuance thresholds, such that fees plateau rather than scale linearly with issuance volume; (3) commit to a transparent, periodic review process under which the OCC publishes an annual report comparing assessment revenues from stablecoin issuers to the actual marginal cost of supervision, with any fee adjustments—upward or downward—tied to demonstrated changes in supervisory resource requirements and subject to notice-and-comment rulemaking, thereby ensuring that the review mechanism promotes accountability rather than serving as an unconstrained vehicle for fee increases; and (4) publish a methodology for calculating the marginal cost of stablecoin supervision, providing transparency and a basis for future fee adjustments.

XII. Summary of Specific Requests

In summary, BitGo respectfully requests that the OCC:

1. Decline to adopt a one-brand-per-issuer restriction and instead permit issuers to issue multiple brands of payment stablecoin through a single legal entity, subject to per-brand reserve segregation, per-brand attestation reporting, and, if appropriate, a legal opinion or third-party attestation confirming bankruptcy-remote treatment.

2. Amend proposed § 15.10(c)(4)(i) to codify explicit safe harbors for independently funded affiliate loyalty programs, merchant discounts, arm's-length white-label arrangements, and de minimis arrangements—such as rewards under a specified per-holder dollar threshold—that do not have a meaningful economic impact and must not be subject to the rebuttable presumption or rebuttal process, and specify the evidentiary standard, a 30-day review timeline, deemed-approval mechanism, and appeal rights for rebuttal submissions.

3. Finalize the Part 15 capital election for uninsured national trust banks in proposed § 15.41, confirm that it is available through a streamlined 30-day notice process with defined and limited "good cause" objection criteria, decline to adopt the bifurcation alternative, explicitly grandfather any existing regulatory capital instruments issued by uninsured national trust banks that elect the Part 15 framework, and reduce the proposed 12-month operational backstop to a maximum of 6 months while explicitly permitting this backstop to be held in yield-bearing U.S. Treasury bills.

4. Require transitioning state-chartered issuers to undergo comprehensive pre-transition capital, liquidity, and operational examinations that must conclude before or concurrently with the transition date—not months afterward—to ensure they meet the same standards applicable to institutions that have operated under OCC supervision from inception, with a defined remediation period for shortfalls. The OCC's proposed framework allowing up to six months of unexamined operation under federal status must be rejected as creating an unacceptable competitive disadvantage for native federal institutions like BitGo.

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5. Explicitly confirm under Subpart C that covered custodians may utilize cryptographically segregated omnibus account structures combined with verifiable internal sub-ledgering to satisfy all segregation and separate accounting requirements, including by permitting covered assets and non-covered digital assets to be held within the same omnibus wallets provided that cryptographic sub-ledgering mathematically segregates each asset class and each customer's beneficial ownership at all times, and adopt principles-based, technology-neutral segregation standards.

6. Modify the proposed semiannual assessment fee structure to adopt the maximum 55% discount for stablecoin reserve assets, establish a hard cap on assessment fees once stablecoin issuance reaches $10 billion—reflecting the indisputable fact that marginal supervisory costs are functionally flat above that threshold—commit to annual fee reviews tied to actual supervisory costs, and publish a marginal-cost methodology for stablecoin supervision.

7. Adopt Option A for reserve asset diversification under § 15.11(c), preserving the principles-based general requirement with the optional quantitative safe harbor, exempt Federal Reserve Banks and Global Systemically Important Banks (G-SIBs) entirely from the 40% single-institution concentration limit within the safe harbor, and confirm that the 20-day weighted average maturity limit is calculated on a portfolio basis.

8. Modify the stress-extension mechanism in proposed § 15.12 to permit an issuer that has crossed the 10% redemption threshold to demonstrate reserve adequacy and continue honoring redemptions on the standard two-business-day timeline subject to OCC concurrence; clarify that automated reserve reporting satisfies the 24-hour notification requirement; and confirm that where per-brand reserves are fully segregated, the 10% threshold must be calculated on a per-brand basis with reference solely to that brand's dedicated reserve pool and outstanding issuance, so that a redemption surge in one brand does not trigger a mandatory extension for any other brand whose reserves are independently segregated and unaffected.

9. Strike or strictly limit the proposed weekly reporting requirement under § 15.14(h) that requires permitted payment stablecoin issuers to report the "100 persons that hold or trade the stablecoin the most," and limit any such reporting obligation exclusively to direct, known customers who have been officially onboarded through the issuer's KYC/BSA-AML processes; the requirement must not extend to secondary market participants whose identities are unknown to the issuer and cannot be reliably determined from on-chain data, as any such extension would be technologically unworkable, commercially ruinous, and productive of speculative and unreliable supervisory data rather than meaningful insight.

10. Impose heightened scrutiny on applications for national trust bank charters where the applicant's sole or predominant purpose is to custody stablecoin reserves for an affiliated issuer, including requirements to demonstrate a bona fide intention to serve unaffiliated clients, enhanced capital or liquidity requirements for single-purpose self-custody

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structures, and examination fee surcharges reflecting the supervisory burden of overseeing captive institutions without external market accountability.

11. Confirm explicitly in the final rule that national trust banks chartered under 12 U.S.C. § 27(a)-including uninsured national trust banks that do not accept demand deposits or extend commercial credit-qualify as "eligible financial institutions" for purposes of holding stablecoin reserves under the GENIUS Act and Part 15, and affirmatively reject any effort to narrow this definition to exclude non-depository trust banks from the reserve custody market.

12. Require all covered custodians holding stablecoin reserves-regardless of whether the custodian is a national trust bank, a state-chartered trust company, or an FDIC-insured depository institution-to hold such reserves in a fiduciary capacity, with reserves legally segregated and held for the exclusive benefit of stablecoin holders, ensuring consistent protection regardless of the issuer's choice of custodian and eliminating the competitive asymmetry that currently advantages depository banks offering non-fiduciary deposit products.

13. Recognize in the final rule and accompanying guidance that FDIC deposit insurance provides no meaningful protection for stablecoin reserves at any commercially significant scale-coverage of $250,000 per depositor represents a fraction of a percent of reserves for any issuer above $100 million-and that the absence of FDIC insurance for national trust banks reflects a business model that does not generate the credit-extension and asset-liability mismatch risks that deposit insurance was designed to address, rather than a supervisory deficiency requiring compensating capital or other burdens.

BitGo appreciates the OCC's comprehensive and thoughtful approach to implementing the GENIUS Act. As one of the few institutions globally operating regulated stablecoin infrastructure under multiple federal and international frameworks, we stand ready to assist the OCC in refining these rules to achieve their consumer protection and financial stability objectives. We welcome continued dialogue on these implementation issues and would be pleased to provide additional information or technical briefings on any of the matters discussed in this comment letter.

Respectfully submitted,

Michael A. Belshe

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