GENIUS Act Implementation: Treasury Proposed Principles for State Regime Substantial Similarity

COMMENT LETTER

GENIUS Act Implementation: Treasury Proposed Principles for State Regime Substantial Similarity

June 2, 2026
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U.S. Department of the Treasury
Attention: Office of the General Counsel
1500 Pennsylvania Ave, NW
Washington, DC 20220

Re: *GENIUS Act Broad-Based Principles for Determining Whether a State-Level Regulatory Regime Is Substantially Similar to the Federal Regulatory Framework*

The Conference of State Bank Supervisors ("CSBS")1 appreciates the opportunity to comment on the Department of the Treasury's proposed principles for determining whether a state-level regulatory regime is substantially similar to the federal regulatory framework.2 The proposal would establish what a state regulator must attest when it certifies to the Stablecoin Certification Review Committee ("SCRC") that a state regime is substantially similar to the federal framework.

The state pathway in the GENIUS Act reflects clear Congressional intent to preserve and adapt the dual banking system's cooperative federalism principles to the regulation of payment stablecoin issuers. This intent recognizes that, from their inception, U.S. dollar-denominated stablecoin markets have developed and grown under the regulation and supervision of states. State regulators have more direct experience overseeing stablecoin issuers than any other U.S. financial services regulator. Congress recognized states' foundational role in this market. Thus, the GENIUS Act incorporated many state-developed regulatory approaches and preserved a state regulatory pathway.

The GENIUS Act's state pathway is structured around a federal floor that also permits states to do what they do best: foster innovation by tailoring regulations to differing local needs and market opportunities. The process for a state to establish its own regime for regulating state-qualified issuers reflects the broad discretion contemplated for states. Congress directed Treasury to establish principles for determining substantial similarity of a state regime with the federal framework. These principles can address any part of the GENIUS Act and incorporate its implementation by the federal regulators. But the statute's use of the term "similarity" – not uniformity, consistency, or another term implying closer alignment – reflects the Congressional expectation that states may and will make choices that vary from the way that federal regulators implement the GENIUS Act.

Read the full comment letter.

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CSBS is the nationwide organization of state banking and financial regulators from all 50 states, the District of Columbia, and the U.S. territories.

- 2

Department of the Treasury, Notice of Proposed Rulemaking, *GENIUS Act Broad-Based Principles for Determining Whether a State-Level Regulatory Regime Is Substantially Similar to the Federal Regulatory Framework*, 91 Fed. Reg. 16844 (Apr. 3, 2026).

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