[Bank Secrecy Act and Sanctions Compliance Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers](#)

COMMENT LETTER

Bank Secrecy Act and Sanctions Compliance Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers

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550 17th Street NW
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RIN 3064-AG29

Re: *Bank Secrecy Act and Sanctions Compliance Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers*

The Conference of State Bank Supervisors ("CSBS")[1] provides the following comments on the proposal[2] from the Federal Deposit Insurance Corporation ("FDIC") to implement the anti-money laundering/ countering the financing of terrorism ("AML/CFT") and sanctions compliance provisions of the GENIUS Act applicable to FDIC-supervised permitted payment stablecoin issuers.[3] The FDIC's proposal would implement the requirements for stablecoin issuers proposed by the Financial Crimes Enforcement Network ("FinCEN") and the Office of Financial Asset Control ("OFAC"). [4] Specifically, our comments provide considerations and recommendations related to issuer supervision for AML/CFT and sanctions compliance purposes, as also discussed in CSBS's comment letter[5] responding to the FinCEN and OFAC proposal.

CSBS recognizes the importance of a well-designed AML/CFT program for stablecoin issuers, including the ability to block, freeze, and reject specific or impermissible stablecoin transactions in both the primary and secondary markets. Illicit use of stablecoins primarily occurs in the secondary market for sanctions evasion, fraud, money laundering, drug trafficking, terrorist financing, cybercrime, and ransomware purposes.[6]

The proposed rule would, however, establish a mandatory notice and consultation process whereby the FDIC would consult with FinCEN before initiating an AML/CFT enforcement action or significant AML/CFT supervisory action against an issuer.[7] Involving FinCEN more deeply in the supervisory process through the proposed consultation requirement could significantly reduce examination efficiency and lead to other unintended consequences.[8] The FDIC should work with FinCEN to adopt an alternative consultation process.

Read the full comment letter.

- 1

CSBS is the nationwide organization of state banking and financial regulators from all 50 states, the District of Columbia, and the U.S. territories. The views presented in this letter may not reflect the policy of individual states.

- 2

FDIC, Proposed Rule, *Bank Secrecy Act and Sanctions Compliance Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers*, 91 Fed. Reg. 34171 (June 5, 2026).

- 3

See 12 U.S.C § 5903(a)(5).

- 4

FinCEN and OFAC, Joint Proposed Rule, *Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism Program and Sanctions Compliance Program Requirements*, 91 Fed. Reg. 18582 (Apr. 10, 2026).

- 5

CSBS, Comment Letter, *GENIUS Implementation: FinCEN OFAC Stablecoin Issuer* (June 9, 2026).

- 6

The FinCEN and OFAC proposal provides substantial evidence and examples of illicit stablecoin use in the secondary market. *See supra* note 4, at 18586-18588.

- 7

A "significant AML/CFT supervisory action" is broadly defined to include any written communication or other formal supervisory determination by the FDIC, such as a Matter Requiring Attention ("MRA"), that identifies deficiencies, weaknesses, violations, or unsafe or unsound practices related to an AML/CFT requirement; communicates supervisory expectations related to addressing identified issues; and contemplates significant or programmatic action by the issuer. *Seesupra* note 2 (proposed 12 C.F.R § 350.200(e)).

- 8

The FDIC acknowledges the notice and consultation requirement would add "costs," "logistical burdens," and "delays in exam report issuance." *Seesupra* note 2, at 34174.

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