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The Honorable Adam Cohen
Senior Deputy Comptroller and Chief Counsel
Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, SW, Suite 1E-216
Washington, DC 20219

1 May 2026

Re: Comments to Docket ID OCC-2025-0372, Notice of proposed rulemaking

Dear Mr. Cohen:

We appreciate the opportunity to share our views with the Office of the Comptroller of the Currency (OCC) on its *Notice of Proposed Rulemaking, Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency* (the proposal). We support the OCC's objective of providing clarity on the implementation of the Guiding and Establishing National Innovation for U.S. Stablecoins Act (12 U.S.C. 5901 *et seq.*) (GENIUS Act or the Act).

We believe our knowledge and experience in addressing certain regulatory, accounting and assurance matters could help inform the OCC's rulemaking efforts in this area. Our responses to certain questions in the proposal are included in Appendix A, and additional recommendations for the OCC's consideration are included in Appendix B.

The *2025 Criteria for Stablecoin Reporting: Specific to Asset-Backed Fiat-Pegged Tokens* issued by the American Institute of Certified Public Accountants (the AICPA Stablecoin Criteria) provides a framework with suitable guidelines for performing examination engagements that compare reserve assets to outstanding stablecoin balances. Throughout our comments, we reference the AICPA Stablecoin Criteria and believe that any final rule should clearly define the subject matter to include in the monthly attestation, making sure it meets the suitable criteria in the AICPA Attestation Standards. We also believe that the final rule should encourage or recommend a monthly controls examination (such as the one in the AICPA Stablecoin Criteria) to address risks related to reserve asset management.

As the OCC continues this rulemaking, additional issues and considerations related to audit and attestation report requirements may be identified. We would be pleased to discuss any such matters, in addition to our comments, with OCC staff at their convenience.

Very truly yours,

Ernst & Young LLP

Appendix A — Responses to questions raised in Notice of Proposed Rulemaking, Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency

Question 88: For purposes of incorporating "average tenor and geographic location of custody of each category of reserve instruments" in the composition report required under § 15.11(e), what, if any, specific content and structure should the OCC require? For example, should the report include information about deposit concentration and CUSIPs of securities? Should the required content include the composition of the reserve assets by type of assets and maturities and by counterparty issuer? For purposes of stating the geographic location of custody, should it suffice to state the country of custody? Or should more granular information be required? Should the OCC require that the composition report conform to the specified template? Are there specific methods for calculating tenor that the rule should require or explicitly permit? For example, should the rule define average tenor as the weighted average maturity or life of the asset? Should the monthly composition report (for both permitted payment stablecoin issuers and foreign payment stablecoin issuers) require the issuer to distinguish between insured and uninsured deposits?

Information about reserve assets should be presented clearly, striking a balance between usefulness and practical considerations. We believe there are several areas where the OCC can enhance clarity, including counterparty disclosures, flexibility for certain reserve asset risk disclosures and more detailed guidance on risk disclosures relating to insured deposits. Our more specific recommendations are outlined below:

- We believe the OCC could clarify what is meant by "custody" in the context of this question because not all reserve assets are subject to custody. Specifically, certain assets represent depositor or creditor claims (e.g., cash, repos). Further, the OCC could provide clarity for instances where a reserve asset is a tokenized security for which the legal custodian and private key custodian are two different entities.

- We believe the term "geography" may be open to interpretation, and we suggest that the OCC consider modifying this disclosure to focus on the regulatory requirements applicable to the issuer's reserve asset counterparties. In our view, such disclosures would generally be sufficient, making granular disclosure of reserve assets at the CUSIP-level unnecessary, although such disclosure should not be precluded. Additionally, we note that granular, asset- and counterparty-level disclosures may become burdensome as a stablecoin issuer's reserve assets grow and/or business models evolve.

- The OCC could consider providing issuers with flexibility in how to present average tenor, but providing guidelines with a standardized template for illustrative purposes could enhance clarity. For example, using maturity bands rather than a single measure could provide a more nuanced picture of tenor.

- We believe differentiating between insured and uninsured deposits would generally be relevant, as would disclosures about protection levels, including whether certain tokenized deposits qualify as insured deposits. For example, the AICPA Stablecoin Criteria suggested that "if deposit insurance does not pass through to the token holder, the token issuer would make an explicit statement to that effect" (AICPA Stablecoin Criteria, FP6).

Question 90: What modifications to the reporting requirements, including the reserve asset composition report, would be appropriate for arrangements where one issuer issues multiple stablecoins under different brands (e.g., white label arrangements), if that arrangement is permitted in the final rule? Are there any additional disclosures that the issuer should provide in order to ensure that the report is not misleading?

We believe the OCC should clarify how such reports are to be presented. For example:

- In some cases, reserve assets may be managed on a segregated basis, with specific reserve accounts maintained for each white label stablecoin. One approach in these circumstances would be to require an individual reserve asset composition report for each white label arrangement. We do not believe that an alternative approach (namely, a combined report) is appropriate given that excess reserve assets in any one stablecoin do not necessarily safeguard the holders of another stablecoin, given the presumed titling of the reserve asset accounts. However, it may be appropriate to provide a combined report that discloses both the reserve asset balances and outstanding tokens for each stablecoin separately.

- In other cases, the reserve assets may be managed on an omnibus basis (§ 15.22 *Use of omnibus accounts*). Two approaches could be used in these circumstances. One would be to issue a combined report for all white label stablecoins from the same issuer, with a reserve composition report that presents reserve assets in the aggregate. Another approach would be to issue individual reports for each stablecoin. If the latter is allowed or required, we believe the OCC should clarify how the individual reports should be presented given the omnibus nature of the reserve assets. For example, for white label stablecoins from the same issuer that qualify for the use of an omnibus account for reserve assets, the report should disclose the terms of the omnibus account, including how the reserve account works when there is a shortfall in one or more of the white label stablecoins both for reporting and settlement purposes.

We also note that the reserve asset composition report presents "money received under repurchase agreements" (line 10) gross of "repurchase agreement liabilities" (line 15). The net effect of the two amounts is what contributes to the "total reserve assets, net of outstanding repurchase agreement liabilities" (i.e., the reserve assets available to support redemption of outstanding tokens). This presentation illustrates a broader principle addressed by the AICPA Stablecoin Criteria, specifically FP8(d) (i.e., "[d]isclosures of the existence and nature of any commitments that may materially affect the available redemption assets"). We believe the OCC should consider requiring disclosures that provide necessary information on the reserve asset and outstanding token amounts.

Question 91: Should the report be required to list and name any depository institutions holding reserve assets? Should the report be required to list and name other eligible financial institutions holding reserve assets? Should the proposed rule include additional measures to ensure that reserve assets are appropriately traceable and linked to their corresponding stablecoin so as to avoid any difficulties in resolving claims to reserve assets?

We believe disclosure of the depository institutions used by the entity could result in unwarranted adverse consequences. For example, if a payment stablecoin issuer changes its primary banking relationship from one bank to another for commercial reasons, this disclosure requirement could inadvertently indicate unfounded concerns regarding the former banking partner's solvency and/or liquidity. We believe disclosure of the regulatory jurisdiction of the reserve asset counterparties (e.g., depository, custodian) would generally be sufficient to help the user of the report understand the risks to the reserve assets (AICPA Stablecoin Criteria, FP3).

We believe the proposed rule would not need to prescribe additional measures to make sure that reserve assets are appropriately traceable and linked to their corresponding stablecoin in all cases. Instead, disclosure should be sufficiently clear to allow a user of the report to understand the holder's rights to the reserve assets. Requiring a direct link between a token and a reserve balance could be unduly burdensome and misleading.

Question 92: For purposes of the composition report and reserves in tokenized form, should the permitted payment stablecoin issuer be required to disclose the location of custody of both the reserve instrument in tokenized form on a ledger and any real-world asset that the reserve in tokenized form represents? What related reporting requirements would be appropriate?

Refer to our response to Question 88. It is important to consider whether tokenized reserves are exposed to private key risks (i.e., what happens if a private key is corrupted and is, therefore, unusable?). Institutional adoption of tokenized securities is still in its early stages, and it is not clear whether these risks will mirror those seen with crypto assets. For example, some institutions are exploring token security standards that allow the token issuer or their agent to burn or freeze tokens and reissue them to the holder if private keys are lost or compromised. In those cases, the custody of the private key is less relevant than for crypto assets. If private key risk is relevant to management's assertions regarding reserve assets, disclosure of the regulatory jurisdiction to which the custodian is subject may be appropriate.

Disclosing the location of private keys maintained in offline "cold storage" can create an avoidable security risk, due to the sensitive nature of these storage sites.

Question 93: Should the values and information in the monthly report be required to be as of a particular date or time? Alternatively, should permitted payment stablecoin issuers publish on their websites a report showing the real-time values of the items required in the monthly composition report? Having the most recent information will make the report more useful, and the OCC invites comment on how much real-time reporting is feasible and whether it may only be feasible for certain items. Should the monthly report be required to include both month-end figures (for the previous month) and some information that can be presented in real-time (for example, the value of reserves or outstanding issuance value)? Are there potential challenges in providing assurance over real-time information presented in a monthly report?

We believe the values and information in the monthly report should be consistent with the payment stablecoin issuer's business processes (e.g., normal end of business date, last business day of the month). If markets and products evolve to extend business hours and/or days, the reporting process should be flexible enough to adjust to those evolving business practices.

We believe that the publication of real-time values of the items required in the monthly composition report could present challenges, particularly when those amounts differ from the final balances included in the examination report. The real-time values could be viewed as misleading (when the amounts in the examination report differ) or result in unwarranted assurance (because the real-time amounts have not been subjected to the same procedures used for the examination report).

Regarding the provision of assurance over these real-time values, we believe it is important to recognize that performing the procedures to support a reasonable assurance opinion takes time and generally cannot be completed on the same day. To support such an opinion, robust procedures should be applied to test the balances (both reserve assets and outstanding stablecoins) and reconciling items, along with a detailed evaluation of the relevant disclosures. While assurance reports may be able to be issued on a timely basis (e.g., five days after month end), real-time assurance is impractical in many cases.

Further, the disclosure of subsequent events in the attestation report also helps to address the risks that real-time values might be intended to address. AICPA Stablecoin Criteria, FP8, specifically includes the "disclosures of events or transactions materially affecting the redeemable tokens outstanding or available redemption assets occurring after the measurement point in time and up to the date of the token issuer's report."

Question 94: Should the OCC require permitted payment stablecoin issuers to publish the monthly certification on their websites, in addition to publishing the monthly reserve asset composition report? Should the OCC specify the content and form of the certification?

We note that in § 15.11(f), the term certification is used to refer to both the monthly reserve asset composition report and the associated examination report by a registered public accounting firm. We believe the OCC could clarify the use of the term in the final rule.

We believe there could be fact patterns where all holders of the payment stablecoin are existing customers of the payment stablecoin issuer. In those circumstances, we believe that the issuer should be able to exercise discretion regarding where the monthly certification should be published (e.g., after a customer login screen).

Our comments on the content and form of the certification are reflected in our other responses .

Question 95: Should the monthly composition report be published at some point before the examination by a registered public accounting firm? For example, a permitted payment stablecoin issuer could publish the report five days after the end of the previous month and have the report examined 30 days after the end of the previous month and disclose any discrepancies uncovered by the examination. Would the benefits of more timely availability of these reports outweigh the potential costs associated with the risk of subsequent changes as a result of the examination that would be completed at a later date?

Consistent with our response to Question 93, we believe issuing the monthly composition report before the examination report could pose challenges when amounts differ. This will at some point result in having to restate composition reports for items identified as part of the examination procedures, which may put undue pressure on management (and consequently on the auditor) to not report differences for fear of public perception of a change in the composition report.

Further, given the monthly cadence of the reporting requirement, issuing an unaudited report a short time before the attestation could also cause confusion for users of the report.

Our views regarding the publication of the monthly composition report assume that such a report would be made available publicly. The OCC may deem it appropriate to require that such early reporting be submitted to relevant regulators, either for all payment stablecoin issuers or only when specified higher risk events and circumstances arise.

The OCC may wish to address the risk that reserve assets fall short of the outstanding token obligations between reporting dates by allowing either or both of the following alternatives:

- Additional assurance reporting for internal controls over stablecoin operations. The AICPA Stablecoin Criteria includes criteria for such a report (refer to the "Criteria for Controls Supporting Token Operations: Specific to Asset-Backed Fiat-Pegged Tokens" section of the AICPA Stablecoin Criteria).

- A monthly examination report that includes the reserve asset composition and outstanding stablecoins on both the last business day and another randomly selected business day each month.

Question 96: Is the requirement in proposed § 15.11(f) to have information disclosed in the previous month-end report examined by a registered public accounting firm sufficiently clear? If not, what additional clarity should the OCC provide with respect to the examination by a registered public accounting firm? Should the examination be performed at the "reasonable assurance" level or at some other standard? What additional standards, if any, should the OCC apply to ensure that the examination is accurate and appropriate? Should the engagement letter between the permitted payment stablecoin issuer and the registered public accounting firm require the registered public accounting firm to attest to whether the permitted payment stablecoin issuer is in compliance with the reserve asset requirements in § 15.11 (or a subset thereof), based on the information available to the registered public accounting firm? What criteria should be used for the examination? Would assurances from the management of the permitted payment stablecoin issuer regarding the information in the issuer's weekly or monthly report be sufficient? If not, what other criteria should be included?

We believe that reasonable assurance would be appropriate and achievable for most payment stablecoin issuers. As products and markets evolve, more complex arrangements may require accounting firms to test and rely on internal controls, including controls at a service organization, to obtain sufficient appropriate evidence to support the opinion. This testing strategy is commonly used for financial statement audits and other non-audit attestation engagements and can be tailored to the facts and circumstances of the permitted stablecoin issuer to support the examination.

The OCC should consider referencing in the final rule which professional standards apply to the examination engagement (e.g., AICPA attestation standards or equivalent) and which independence standard(s) apply to the accounting firm.

We recommend that the final rule specify that examination engagements should apply suitable criteria that are relevant, objective, measurable and complete, and are available to users of the report. While the AICPA Stablecoin Criteria are one example of suitable criteria, other frameworks may be developed in the future. Nevertheless, we believe that citing the AICPA Stablecoin Criteria as an example would help mitigate the risk of entities developing their own custom criteria, which could reduce report comparability and result in inconsistent disclosures.

Opining on compliance may be misleading to certain users. We believe it is more appropriate to focus on balances reported being fairly stated and relevant information being disclosed, in accordance with the AICPA Stablecoin Criteria and any additional requirements in a final rule. If the final rule imposes requirements (i.e., the reserve composition requirements), we believe it should specify whether they are part of the suitable criteria for the examination engagement. The examination report could note, for instance, that the information is reported in accordance with the XX Framework and section X of the rule.

We do not believe limited assurance reports or agreed-upon procedures reports are appropriate in these cases because they may lead to unwarranted reliance.

Question 98: Are there additional considerations that the OCC should take into account with respect to proposed § 15.11(g)(1), including whether it is appropriate that the permitted payment stablecoin issuer must not issue new stablecoins until it remediates a shortfall in reserve assets? For example, should there be some period of time (e.g., one or two days) where an issuer should be able to issue stablecoins despite a shortfall? Is the requirement in § 15.11(g)(3) set appropriately at 15 days or should the period be longer or shorter (e.g., 5 days, 10 days, 20 days, 25 days, 30 days)?

We believe minor shortfalls could occur for various reasons, including settlement timing differences related to the liquidation of a large portion of reserves that are in the form of securities (i.e., settlement receivables) if there is a large volume of redemptions in the last business day(s) of the month. Alternatively, the final rule could clarify whether such settlement receivables are allowed to be included in the reserve assets.

Question 99: Should the proposed rule include restrictions on expenses that may be charged against reserve assets? Is it worth making clear that permitted payment stablecoin issuers may not charge general corporate expenses against reserve assets? While there may be a narrow set of expenses that can be paid from reserve assets (for example, interest on a repurchase agreement or fees paid to an investment company holding reserve assets), the OCC expects that paying most other expenses from reserve assets would be inconsistent with the requirement for permitted payment stablecoin issuers to maintain identifiable reserve assets backing outstanding issuance value on a 1 to 1 basis.

While we agree that corporate expenses should not be paid directly out of reserve asset accounts, we believe management should be able to exercise discretion on the use of excess reserves, as long as the reserve minimums are maintained. Periodic transfer of excess reserves into a general corporate cash account would reasonably be expected to occur in the normal course of business.

We agree that certain expenses directly related to the reserve assets can be charged directly against such assets. We expect that such expenses would be subject to an appropriate policy or agreement (i.e., intercompany expense agreements) and could be subject to disclosure and attestation if the OCC believes that such disclosure is warranted.

If the OCC retains this prohibition in the final rule, we believe it should clarify whether the issuer's compliance with it is part of the criteria subject to the examination engagement.

Question 100: Has the OCC appropriately defined "timely" for purposes of redemption in proposed § 15.12(b)(1)(i) as not exceeding two business days? If not, what may be a more appropriate timeframe? For example, should the OCC consider other timeframes ranging from one calendar day to seven calendar days timely? Should the OCC consider some timeframe longer than seven calendar days timely? Should the OCC define "timely" in a manner that scales with the liquidity of the underlying reserve assets or other factors? How should any definition of "timely" appropriately balance considerations of price stability and run risk?

We believe the OCC could clarify that "timely" should be linked back to the issuer terms of service, particularly if such terms commit the issuer to an even shorter redemption time frame than the final rule. We also believe that, consistent with the AICPA Stablecoin Criteria, the issuer's terms of service should be available to the users of the examination report.

Question 129: Should the OCC alter the proposed reporting or examination requirements? If so, how? Is there additional information that should be included in the required reports or information that is not included in the proposed rule? Is there information included in the required reports or information that should not be included in the proposed rule?

The proposal generally focuses on the monthly composition report but does not address whether the report should be supplemented with additional disclosures, such as those contemplated in the AICPA Stablecoin Criteria. We believe that such disclosures form a critical part of understanding the reserve assets and the related stablecoin amounts and would provide decision-useful information relevant to users of the report.

Question 133: In addition to requiring a monthly report of a permitted payment stablecoin issuer's reserve asset composition, should the OCC also require a permitted payment stablecoin issuer to publish a report of the reserve asset composition as of a day randomly selected each month by the permitted payment stablecoin issuer's registered public accounting firm?

As noted in our response to Question 95, we believe such a requirement could better mitigate certain risks than more frequent unaudited reserve asset reporting. We note that there are precedents for this approach, such as surprise counts for registered investment advisers.

Question 134: How can the OCC best minimize duplication of reports, including for permitted payment stablecoin issuers subject to the audit requirement contained in proposed § 15.14(l)? Should the OCC include in the rule text its interpretation of "applicable auditing standards" under section 4(a)(10)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(10)(A)(iii)) to mean those that would apply if the permitted payment stablecoin issuer were subject to the reporting requirements under section 13(a) or 15(d) of the Securities and Exchange Act of 1934 (15 U.S.C. 78m, 78o(d))? Should the OCC also include in the rule text that the standards would be enforced by the OCC for permitted payment stablecoin issuers subject to the audit requirement under section 4(a)(10)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(10)(A)(iii))? Should the OCC also include in the rule text that it may at any time request that a registered public accounting firm provide to the OCC certain additional information or documents relating to information provided by the permitted payment stablecoin issuer and that the registered public accounting firm must agree to provide copies of any working papers, policies, and procedures relating to services in connection with the audit required under section 4(a)(10)(A)(iii) of the GENIUS Act (12 U.S.C. 5903(a)(10)(A)(iii))?

We believe it would be appropriate to clarify the relevant auditing standards and OCC statutory enforcement authority regarding audits performed under the statute. We note that certain audits are performed under Public Company Accounting Oversight Board (PCAOB) standards that are not within the PCAOB's inspection jurisdiction. These audits are subject to other audit quality mechanisms, such as the accounting firm's internal reviews and AICPA peer review.

Additionally, if a payment stablecoin issuer is a subsidiary of an entity that is subject to the reporting requirements under Section 13(a) or 15(d) of the Securities and Exchange Act of 1934 (15 U.S.C. 78m, 78o(d)), the final rule could clarify whether the subsidiary's audited financial statements are still required, or if the parent/holding company consolidated audited financial statements are sufficient to comply with the rule's requirements.

Appendix B — Additional comments regarding the *Notice of Proposed Rulemaking, Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency*

Fair value measurement of reserve assets

We note that proposed § 15.11(a)(3) refers to the fair value of reserve assets as the measure to be used when evaluating the adequacy of reserves. We note that this differs from the AICPA Stablecoin Criteria, which acknowledges that reserve assets may have different carrying amounts that are intended to approximate fair value but are not strictly aligned to the US GAAP notion of fair value for practical purposes. For instance, cash and cash equivalents are allowed to be presented at par, and investments in money market mutual funds are measured at their net asset value (NAV) as a practical expedient to fair value. Securities purchased with agreements to resell (i.e., reverse repos) could be carried at cost less impairment, rather than at fair value.

Requiring the application of fair value measurement strictly for all reserve assets could result in undue complexity and would often result in differences between how these assets are measured for US GAAP purposes versus how they are measured for the reserve asset composition report.

Restrictions on reserve management

The proposal indicates that a payment stablecoin issuer would "only withdraw any surplus reserve assets in excess of outstanding issuance value once per month, upon the publication of the composition report required." Such a requirement may inadvertently discourage prudent, robust risk management practices. For example, it could disincentivize an issuer from holding reserves materially in excess of the required minimum because it effectively imposes a 30-day delay on transferring such excess amounts to its own account, while also applying pressure on management and the accounting firm to issue the examination report more quickly. Refer to our response to Question 95 in Appendix A, in which we suggest other risk mitigating mechanisms the OCC might instead consider.

Restrictions on reserve composition

Proposed § 15.11 indicates that a payment stablecoin issuer may not include in reserve assets another payment stablecoin. We believe this could preclude the evolution of various use cases, such as the programmatic exchange for payment stablecoins using smart contracts (i.e., customer buying one payment stablecoin using another). We suggest that the OCC consider adjusting this prohibition to a maximum limit instead, consistent with how the proposal would impose limits on reserve assets by type and counterparty.

Counterparty limits

Under proposed § 15.11(c), a payment stablecoin issuer would be subject to various quantitative counterparty limits, including investment security custodians. While such requirements for depository relationships and private key custodians might contribute to sound risk management, it is unclear whether applying such arrangements to traditional investment custodial relationships would provide a meaningful risk management benefit relative to the operational costs and complexities that it could impose.

Notification of unauthorized access

Under proposed § 15.13(b)(7)(i), payment stablecoin issuers would need to notify users of unauthorized access to sensitive customer information, including a customer's private key. We believe this section should clarify the payment stablecoin issuer's responsibilities under different private key arrangements. For instance, the OCC may wish to clarify whether this section only applies to private keys that the payment stablecoin issuer holds on behalf of stablecoin holders, or whether it extends to instances where a holder maintains custody of private keys through some other means, including third-party custodians and self-custody. It is unclear how the payment stablecoin issuer would be able to know whether private keys outside its custody have been compromised.

Further, the OCC may wish to clarify if the term "holder" in this context is limited to those holders with a direct right to redeem the payment stablecoin with the issuers or whether it extends to all holders of the payment stablecoin.