

The Crypto Council for Innovation (CCI) writes to express our support for voting in favor of cloture on the Motion to Proceed for the **GENIUS Act**, and to thank you and your colleagues for the thoughtful leadership that has produced this bipartisan bill. The latest text reflects months of bipartisan negotiations, a stronger bill, and significant input from Democratic and Republican offices – doing the critical work of legislating that has led to meaningful enhancements in consumer protection, financial safeguards, anti-money laundering standards, and strong oversight of foreign and domestic stablecoin issuers.

We are aware of concerns raised in the recent Senate Banking Committee Democratic Staff Analysis on the latest GENIUS Act Draft. We respectfully offer the following clarifications and context to address several statements and misconceptions that reinforce the points made by those who helped reach this compromise:

A Stronger Bill

Thanks to sustained bipartisan negotiations, the GENIUS Act now includes:

- **Robust Consumer Protections:** The bill affirms the continued application of federal and state consumer protection laws (Sections 6(c) and 7(f)), ensuring that consumers are not left with fewer rights than they would have using traditional payment service providers.
- **Tougher Restrictions on Foreign Issuers:** The revised draft requires foreign stablecoin issuers to meet both technological compliance standards and a comparable regulatory regime, not just one or the other (Section 3(b)(2)). It also strengthens Treasury's delisting authority and requires multi-agency approval before recognizing a foreign regime as comparable (Sections 8(b)(1), 18(b)(1)).
- **Limits on Stablecoin Issuers:** New language bars public, non-financial companies from issuing stablecoins unless they meet strict criteria protecting financial stability, consumer data privacy, and fair competition (Section 4(12)(B)).
- **Strong Anti-Money Laundering (AML) Provisions:** All payment stablecoin issuers are subject to Bank Secrecy Act obligations, AML reporting, and sanctions compliance equivalent to traditional financial institutions (Section 4(a)(5)).
- **Prohibitions on Misleading Names and U.S. Government Affiliation:** The bill expands prohibitions for stablecoin names that reference "United States," "U.S. Government," or similar terms (Section 4(a)(9)) and bars any misrepresentation that a stablecoin is backed by FDIC insurance (Section 4(e)(2)(A)).
- **Enhanced Enforcement and Ethical Guardrails:** The bill strengthens enforcement tools for reckless behavior, expands ethics rules to cover special government employees, and ensures that stablecoin holders retain priority in bankruptcy (Sections 6(b)(1), 4(i)(2), 11(a)).

Clarifying Misconceptions

1. **On the Role of Elected Officials and Conflicts of Interest:** The GENIUS Act strengthens ethics rules to apply to special government employees and reinforces existing conflict-of-interest standards. While constitutional constraints limit the scope of statutory ethics provisions for sitting Presidents, the bill reaffirms the prohibition of self-dealing and misuse of public offices.
2. **On “Big Tech” Issuing Stablecoins:** The bill explicitly restricts non-financial publicly traded companies from issuing stablecoins unless they meet stringent financial and privacy-related conditions. These provisions maintain a clear separation between commerce and banking.
3. **On the Alleged “Foreign Based Issuer Loophole”:** The bill gives Treasury and financial regulators greater power to restrict foreign-issued stablecoins, including requiring technical compliance with lawful orders (to freeze digital assets, for example), needing to meet the standards of a comparable foreign regulatory regime, and applying sanctions authority to offshore tokens.
4. **On Consumer Safety and Systemic Risk:** Enhanced reserve requirements and strong AML oversight reduce systemic risk. Capital, liquidity, concentration, and operational risk requirements ensure that issuers can weather crises. The bill also ensures stablecoin holders retain legal claims in bankruptcy and requires reports on potential gaps in consumer recovery.
5. **On National Security:** The GENIUS Act improves tools to detect and deter illicit finance, including Financial Crimes Enforcement Network (FinCEN) risk management standards for DeFi interactions and new reporting mandates on mixers and tumblers. These provisions directly address concerns related to terrorism financing and sanctions evasion.

A Path Forward – The Time is Now

The GENIUS Act is a regulatory framework that puts rules of the road in place compared to the current status quo comprising a patchwork of state regulations and no federal regulatory regime. The revised bill is a tailored, pragmatic framework built around preserving innovation while prioritizing consumer safety, financial stability, and national security.

It reflects the reality that stablecoins are already here, already in use, and already affecting global finance. **The question is not whether they should exist, but whether the U.S. should lead in setting the guardrails.**

We respectfully urge Senate offices to recognize the significant progress made through good-faith bipartisan negotiations and to continue engaging constructively in finalizing this vital legislation.