

# OCC's Proposed Stablecoin Rules Under the GENIUS Act

May 2026 | Public Policy

## Introduction

**On March 2, 2026, the Office of the Comptroller of the Currency (OCC) published a proposal to implement the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act.**

The proposal establishes a comprehensive regulatory framework for permitted payment stablecoin issuers (PPSIs) subject to the OCC's jurisdiction, including reserve asset requirements, diversification and concentration standards, capital requirements, and supervisory rules.

Payment stablecoins play a critical role in bridging traditional and digital financial infrastructures, enabling near-frictionless payments, real-time settlement, and broader access to dollar-denominated assets.

With an appropriate regulatory framework, we believe stablecoins can broaden investment opportunities, enhance market liquidity, and support greater financial inclusion

BlackRock supports the OCC's efforts to implement a regulatory regime that enables responsible innovation while focusing on monetary soundness and user confidence through robust liquidity and risk management standards. Our comments are informed by our experience as an investment manager of reserve assets for payment stablecoins, and as an issuer of government money market funds (GMMFs) and exchange-traded funds (ETFs), some of which may be held as reserve assets.

We have submitted a comment letter offering targeted recommendations to help achieve the OCC's objectives while avoiding unintended consequences. A summary of our views on key provisions of the proposal follows.

## Authors



**Roland Villacorta**  
Senior Managing Director,  
Global Head of Liquidity & Financing



**Robert Mitchnick**  
Managing Director,  
Head of Digital Assets



**Benjamin Tecmire**  
Managing Director,  
Head of Regulatory Affairs



**Tricia Meyer**  
Director,  
Legal & Compliance



**Sachiyo Sakemi**  
Managing Director,  
Legal & Compliance

*This publication represents the regulatory and public policy views of BlackRock. The opinions expressed herein are as of May 2026 and are subject to change at any time due to changes in the market, the economic or regulatory environment, or for other reasons. The information herein should not be construed as sales material, research, or relied upon in making investment decisions. All source information can be found in BlackRock's comment letter to the OCC [here](#).*

## Summary of BlackRock's Views

1

BlackRock supports the OCC's proposed principles-based framework for reserve asset diversification and concentration, supplemented by an optional quantitative safe harbor ("Option A").

2

The proposed 40% concentration limit should not apply to self-custodied GMMF shares or require look-through to a GMMF's service providers.

3

GMMFs with same-day settlement should count toward the 30% weekly liquidity requirement, and the OCC should clarify how weighted average maturity (WAM) is calculated by PPSIs for reserve assets.

4

The OCC should confirm that qualifying ETFs are eligible reserve assets under the GENIUS Act and provide similar regulatory treatment as GMMFs on the quantitative safe harbor.

5

The OCC should approve Treasury Floating Rate Notes as eligible reserve assets and develop a formal process for approving additional asset types.

6

The OCC should not impose additional quantitative limits on tokenized forms of eligible reserve assets.

7

BlackRock supports principles-based capital requirements and the use of separately managed accounts (SMAs) for professional reserve management.

### **1. BlackRock supports Option A, which is a principles-based framework for reserve asset diversification and concentration, supplemented by an optional quantitative safe harbor.**

The OCC presents two approaches to reserve asset diversification and concentration. Option A combines a principles-based general requirement that reserves be sufficiently diverse to manage credit, liquidity, interest rate, and price risks with an optional quantitative safe harbor consisting of minimum daily (10%) and weekly (30%) liquidity thresholds, a 40% maximum concentration limit at any single eligible financial institution, and a weighted average maturity (WAM) cap of 20 days. Option B would make these quantitative requirements mandatory. BlackRock supports Option A because it appropriately balances rigor, flexibility, and clarity—allowing the OCC to tailor requirements to different business models and risk profiles while providing a well-defined compliance benchmark for issuers that want one.

### **2. The 40% concentration limit should not apply to self-custodied GMMF shares or require look-through to a GMMF's service providers.**

The proposed 40% concentration limit at any one eligible financial institution could inadvertently apply to GMMF shares that a stablecoin issuer holds directly on its own books—which could be treated as self-custody. Requiring issuers to move these shares to third-party custodians would fragment reserves across multiple providers, reducing the ability to access the reserves efficiently and introducing settlement, reconciliation, and coordination risks. BlackRock requests clarification that self-custodied GMMF shares are exempt from this limit. We also ask the OCC to confirm that the limit does not apply on a look-through basis to a GMMF's own custodian, investment manager, or other service providers, as this would improperly extend the limit well beyond its intended scope.

**3. GMMFs with same-day settlement should count toward the weekly liquidity requirement, and the OCC should clarify WAM calculations for GMMFs.**

Under the proposal, at least 30% of a PPSI's reserve assets must be readily accessible within five business days. GMMFs typically settle on a same-day (T+0) or next-day (T+1) basis and are among the most conservatively managed and highly liquid investments available, holding over \$6.2 trillion in assets. GMMFs have demonstrated remarkable resilience during periods of recent market stress, including during the March 2023 COVID-19 shock and 2023 regional banking stress period. BlackRock recommends that qualifying GMMFs be explicitly included as assets that count toward the weekly liquidity requirement. We also recommend that the OCC more specifically articulate how WAM should be calculated within a PPSI's reserve portfolio to promote consistency across issuers.

**4. The OCC should confirm that qualifying ETFs are eligible reserve assets and provide consistent treatment with GMMFs.**

The GENIUS Act permits securities issued by SEC-registered investment companies, which include ETFs, as reserve assets, provided that those funds invest solely in the eligible reserve assets under the GENIUS Act. The proposal, however, creates ambiguity that could discourage PPSIs from adopting qualifying Treasury ETFs. BlackRock requests explicit confirmation that qualifying ETFs are eligible and recommends they receive similar treatment as GMMFs regarding the proposed concentration limit, weekly liquidity requirement, and WAM calculation method under the quantitative safe harbor.

**5. The OCC should approve Treasury Floating Rate Notes as eligible reserve assets and develop a formal approval process for additional asset types.**

BlackRock recommends that the OCC approve U.S. Treasury Floating Rate Notes (FRNs) with remaining maturities of up to two years as an additional category of eligible reserve assets. FRNs exhibit limited price volatility, strong secondary market liquidity, and low duration risk due to their weekly coupon reset tied to short-term interest rates.

**6. The OCC should not impose additional quantitative limits on tokenized forms of eligible reserve assets.**

The proposal asks whether a 20% cap should apply to reserve assets held in tokenized form. BlackRock urges the OCC not to impose additional quantitative limits based solely on an asset's technological form. An asset's risk profile is driven by its credit quality, duration, and liquidity—not whether it is recorded on a distributed ledger. Imposing categorical limits would constrain innovation, including the growing adoption of tokenized money market funds that offer near-instant settlement, more efficient subscription and redemption processes, and enhanced transferability.

**7. BlackRock supports principles-based capital requirements and the use of separately managed accounts (SMAs) for professional reserve management.**

BlackRock supports the OCC's principles-based approach to ongoing capital requirements for PPSIs and recommends that the OCC conduct further study before prescribing specific haircuts or buffers for reserve assets. Limited empirical data is available at this stage of industry development, and overly conservative requirements could introduce capital inefficiencies and operational complexities that raise costs without a proportionate reduction in risk. Separately, BlackRock supports the OCC's clarification that PPSIs may retain investment managers through separately managed accounts (SMAs). SMAs ensure that reserves remain legally owned and controlled by the issuer, reduce risks associated with commingling, and provide enhanced transparency into underlying holdings—all consistent with established institutional market practices.

*BlackRock looks forward to working with the OCC as it refines the proposed rule to fully realize the potential of a well-regulated payment stablecoin market that promotes innovation, protects consumers, and builds the bridge between traditional finance and digital finance.*