ANCHORAGE DIGITAL WHITEPAPER

The GENIUS Act at One

What the Law Means. What Comes Next. Why Anchorage Digital Is Ready Now.

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1. What is the GENIUS Act?

The GENIUS Act establishes the first federal regulatory framework for stablecoins, making it the most significant piece of U.S. digital asset legislation enacted.

On July 18, 2025, the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act was signed into law by President Trump, ending nearly a decade of regulatory ambiguity for stablecoin issuers and setting the legal foundation for U.S. dollar-backed digital money.

Core premise

Only a 'Permitted Payment Stablecoin Issuer' (PPSI) may issue a payment stablecoin in the U.S. Three issuer categories are recognized:

CATEGORY 01

Subsidiary of an IDI

Approved by the Insured Depository Institution’s (IDI) primary federal regulator (OCC, FDIC, Federal Reserve, NCUA).

CATEGORY 02

Federal Qualified PSI

Non-bank entities, uninsured national banks, or federal branches of foreign banks, licensed by the OCC.

CATEGORY 03

State Qualified PSI

State-chartered entities with outstanding issuance under $10B. The state regime must be certified as substantially similar to the federal framework.

The market structure consequence is straightforward:

GENIUS creates a two-tier stablecoin market.

TIER 1

PPSI-issued stablecoins

Full regulatory standing as cash equivalents, eligible for bank collateral, wholesale settlement, and accounting treatment expected to follow.

TIER 2

All other stablecoins

Grandfathered temporarily, but will lose institutional access progressively at the Act's effective date and fully when the safe harbor expires in 2028.

What counts as a payment stablecoin?

A digital asset designed for use as a means of payment or settlement, which the issuer must redeem at a fixed monetary value and which represents it will maintain, or creates a reasonable expectation of maintaining, a stable value relative to that fixed amount, and which is explicitly not a security, commodity, deposit (including tokenized deposits), or national currency. Compliant payment stablecoins must be backed at least one-to-one by reserves, which can consist of U.S. dollars, Federal Reserve notes or balances held in a Federal Reserve Bank account, funds held at certain insured or regulated depository institutions, certain short-term Treasuries and Treasury-backed repurchase and reverse repurchase agreements, and certain money market funds.

KEY CARVE-OUT · THE 3-YEAR SAFE HARBOR

Exchanges and custodians (digital asset service providers) have until July 18, 2028 to stop offering and selling non-compliant stablecoins in secondary markets. This window gives the market time to transition without immediate disruption to existing volumes, estimated at $70B+ in daily U.S. transaction flow.

2.

Implementation timeline

The law sets forth a structured rulemaking and transition period that runs through January 2027.

DATE	MILESTONE	WHAT IT MEANS	STATUS
Jul 18, 2025	**GENIUS Act Signed**	Enactment. Federal licensing framework created. The rulemaking clock starts.	Complete
Sep 2025	**Treasury Advance Notice of Proposed Rulemaking (NPRM)**	Advance Notice of Proposed Rulemaking on implementation topics, including safe harbors and foreign regime comparability.	Complete
Dec 2025	**FDIC Licensing NPRM**	First agency-specific rule: application process for subsidiaries of FDIC-supervised IDIs.	Complete
Feb 25, 2026	**OCC Comprehensive NPRM**	Full proposed rule covering licensing, reserves, capital, custody, reporting, supervisory fees, and enforcement for OCC-supervised entities.	Complete
Apr 7–9, 2026	**FDIC Prudential NPRM**	Standards for reserve quality, redemption mandates, deposit insurance clarity for PPSIs.	Complete
May 22, 2026	**FDIC AML/Sanctions NPRM**	Integrates bank-affiliated issuers into BSA, AML, and OFAC compliance networks.	Complete
Jul 18, 2026	**Rulemaking Deadline**	All primary federal regulators must have final rules in place. If achieved, Act takes effect 120 days later.	In progress
Jan 18, 2027	**Statutory Effective Date**	The GENIUS Act is effective beginning January 18, 2027 or 120 days after final rules are issued (whichever is sooner). Only PPSIs may issue payment stablecoins in the U.S. unless safe harbor is granted for issuers that have applied for PPSI but not received approval.	In progress
Jul 18, 2028	**3-Year Safe Harbor Expires**	Digital asset service providers may no longer offer or sell payment stablecoins from non-PPSI issuers to U.S. persons.	In progress

What "going live" actually means

Implementation of the GENIUS Act is not a single event, but the culmination of a layered rulemaking process. "Live" means that the primary Federal payment stablecoin regulators have issued final implementing regulations and the law has gone into effect, which is the earlier of 120 days after such final regulations are issued or January 18, 2027.

Additionally, when live, participants should expect:

- The PPSI licensing and application process to be open and functional
- Reserve, capital, AML, and reporting obligations are codified and enforceable
- State certification process is operational (Treasury/SCRC approved comparable state regimes)
- Foreign Payment Stablecoin Issuer (FPSI) registration pathway is available

Until the Act's effective date, existing digital asset service providers may continue operating under safe harbor, at which time the above are expected to be operational.

3.
What regulators are doing

Several federal agencies and the Treasury Department are building the regulatory infrastructure in parallel with one another.

Regulator-by-Regulator Responsibilities

REGULATOR	PRIMARY ROLE UNDER THE GENIUS ACT
OCC	Primary federal regulator for national banks and federal savings associations, federal branches, uninsured national banks, and non-bank Federal Qualified PPSIs; foreign PPSI registration; and state-supervised PPSIs subject to OCC enforcement. Issued comprehensive NPRM (Feb 2026) and proposed reporting forms (Jun 2026); BSA/AML addressed in separate coordinated interagency rulemakings.
FDIC	Regulates subsidiaries of state nonmember banks and state savings associations. Two NPRMs: licensing (Dec 2025) and prudential standards (Apr 2026). Co-issuer of joint CIP proposed rule (Jun 2026).
Federal Reserve	Supervises subsidiaries of state member banks and bank holding companies. Co-issuer of joint CIP proposed rule (Jun 2026). Enforcement authority in unusual/exigent circumstances for state-regulated PPSIs.
NCUA	Covers credit union subsidiaries seeking PPSI status. Co-issuer of the joint CIP proposed rule (Jun 2026).
FinCEN / OFAC	BSA/AML/OFAC compliance framework and sanctions compliance program requirements for PPSIs (joint NPRM Apr 2026); co-issuer of joint CIP proposed rule (Jun 2026).
Treasury	Foreign regime comparability determinations; safe harbor definitions; tax and insurance policy implications (NPRM Apr 2026).

The Stablecoin Certification Review Committee

A new interagency body, chaired by the Secretary of the Treasury, includes the Federal Reserve Chair and FDIC Chair. The SCRC performs the following critical functions:

- Reviews and certifies state regulatory regimes as substantially similar to the federal framework.
- Must approve unanimously, or deny within 30 days, each state certification request.
- Grants exceptions for non-financial public companies seeking to issue stablecoins.
- Makes recommendations to Treasury on comparability of foreign stablecoin regulatory regimes.

Key prudential requirements (being codified now)

Reserves

1:1 backing in cash, bank deposits, short-term U.S. Treasuries, or other qualifying liquid assets. No crypto, no equity, no rehypothecation (except for narrow liquidity cases).

Reporting

Monthly reserve composition reports, examined by a registered public accounting firm. Issuers with >$50B in circulation (and not already SEC reporting companies) must also file annual audited financial statements publicly.

Capital and liquidity

Will be defined per agency, with stress testing and diversification requirements expected.

AML/KYC/OFAC

PPSIs are designated as financial institutions under the Bank Secrecy Act (BSA). They must file SARs, conduct due diligence on customers, and monitor transactions.

Redemption

Issuers must redeem at par, on a timely basis.

CAN STABLECOINS OFFER YIELD?

The GENIUS Act prohibits issuers from offering yield or rewards on compliant stablecoins; however, it leaves open the potential for third parties to offer rewards or yield-like incentives to stablecoin holders. The CLARITY Act, which is currently under consideration by Congress, would extend restrictions to exchanges and affiliated entities, further limiting permissible rewards, if it were to become law. Further GENIUS Act rulemaking may also limit rewards, so these developments need to be tracked carefully.

4. Business impact: U.S. and global

GENIUS creates clarity for some and enhances compliance requirements for others. The dividing line is whether your business already operates in a prudentially-regulated structure.

Banks, fintech, and payments companies

For U.S. fintech and payments companies, the GENIUS Act is a forcing function. Stablecoin issuance is now a licensed activity that might require more than a money transmitter license (MTL). Key impacts:

- Fintechs issuing or planning to issue stablecoins must either obtain PPSI status or partner with a PPSI
- Fintechs that built compliance stacks on state-by-state MTL might find those licenses superseded for stablecoin issuance purposes under the federal framework
- Banks and uninsured national banks gain a clear pathway to issue stablecoins under federal oversight
- Non-financial public companies (e.g., big tech) are prohibited from issuing stablecoins unless SCRC unanimously finds that issuance would not pose material risk to U.S. financial stability, that consumer transaction data will not be exploited, and that the company will comply with federal tying prohibitions
- Exchanges and custodians (digital asset service providers) have until July 2028 to delist or restrict non-compliant stablecoins for U.S. persons

FOR U.S. BANKS, THE GENIUS ACT IS AN INVITATION.

For the first time, federally-chartered and state-chartered banks have a clear, purpose-built pathway to issue digital dollars under their existing regulatory relationships. The market opportunity is real. The legal authority is now explicit.

Global businesses operating in the U.S.

Non-U.S. stablecoin issuers can continue serving U.S. users — but only through a registration pathway as a Foreign Payment Stablecoin Issuer (FPSI). Requirements:

- Subject to a comparable non-U.S. regulatory regime (Treasury determination required)
- Register with the OCC
- Hold reserves in the U.S. sufficient to meet U.S. customer liquidity demands
- Not domiciled in a sanctioned jurisdiction or primary money laundering concern
- Comply with any U.S. lawful order to seize, freeze, burn, or block transfers of stablecoins

Foreign issuers that do not qualify — or that choose not to register — lose access to the U.S. market via compliant distribution channels once the three-year safe harbor expires (July 2028). For large global projects (USDT, non-U.S. bank digital dollars), this is a meaningful compliance and strategic decision point.

Global businesses with no U.S. nexus

The GENIUS Act is explicitly extraterritorial in some dimensions — particularly around the FPSI regime and safe harbor provisions. For non-U.S. businesses:

- Stablecoin issuers targeting purely non-U.S. persons are not directly regulated by GENIUS, but will face downstream pressure as U.S. standards become the de facto global benchmark
- Jurisdictions seeking U.S. market access must achieve 'comparable regime' certification — driving convergence toward GENIUS-style frameworks globally (MiCA, MAS, DFSA frameworks are expected to be evaluated for comparability)
- Cross-border payment corridors using U.S.-regulated stablecoins gain significant legal clarity and counterparty acceptability

5.

Impact on crypto businesses

The crypto-native industry faces the most significant structural shift. What was an open market becomes a licensed, regulated one.

01

Stablecoin issuers

Established issuers face a clear fork: become a PPSI, register as an FPSI, or exit the U.S. market. As an OCC-regulated uninsured national bank, Anchorage Digital qualifies as a Federal Qualified Payment Stablecoin Issuer from day 1.

02

Exchanges and custodians

Many exchanges and custodians are classified as 'digital asset service providers' under the Act. Their obligations:

- 3-year window to transition away from offering non-PPSI stablecoins to U.S. persons
- Cannot treat non-compliant stablecoins as cash/cash equivalents for accounting or collateral purposes immediately upon the Act's effective date
- Must build stablecoin compliance screening into listing processes

03

DeFi protocols

Explicitly carved out of the definition of 'digital asset service provider.' The Act requires the Treasury Department to study the DeFi scope question and provide legislative recommendations, but for now, permissionless protocols are not directly regulated. Smart contract-mediated transfers and self-custody are explicitly protected.

04

Tokenization platforms

Projects building on-chain settlement rails — tokenized treasuries, RWA platforms, cross-border settlement networks — benefit from stablecoin receiving legal status as a settlement asset. The GENIUS Act operationalizes programmable money as a compliant financial instrument.

6.
The Anchorage Digital advantage

Anchorage Digital isn't catching up to the GENIUS Act; we are at the forefront of compliance.

The Structural Advantage: Federal Charter + Crypto Native

In January 2021, Anchorage Digital Bank, N.A. became the first federally-chartered digital asset bank in the United States.

Since 2025, Anchorage Digital Bank has been issuing OCC-regulated stablecoins. These stablecoins are issued by or through a federally-regulated banking entity, not a state MTL holder or a newly-incorporated LLC.

What Anchorage Digital delivers

PPSI-ready infrastructure

The national bank charter satisfies the OCC-supervised issuer pathway from day one.

Reserve management

Bank-grade custody and reserve management architecture, qualified to hold the T-bills, cash, and bank deposits required under GENIUS.

AML / BSA / OFAC

Already operating under full BSA, AML, and OFAC compliance as a federally chartered bank, not building from scratch.

Audit-grade reporting

Institutional reporting infrastructure capable of meeting monthly reserve reporting and third-party audit requirements.

Mint and burn operations

Operational mint and burn mechanics with real-time settlement, already deployed for partner programs.

State MTL preemption

Federal charter preempts state money transmitter licensing requirements, one less dimension for our partners to manage.

Competitive comparison: Why GENIUS structurally favors Anchorage Digital

DIMENSION	ANCHORAGE DIGITAL	NON-BANK COMPETITORS
Regulatory status	OCC-chartered national bank. Federally regulated today.	State MTL patchwork or pending PPSI applications. Federal charter requires new application.
PPSI pathway	Federally-qualified PPSI through being an uninsured national bank regulated through the OCC.	Must apply to be a federally-qualified PPSI (non-bank) or state-qualified PPSI. New process, new approval, uncertain timeline.
Reserve custody	Bank-grade, in-house. Qualified custodian under federal banking law.	Typically third-party dependent. Custody arrangements must be re-structured to meet GENIUS segregation requirements.
AML / BSA / OFAC	Already fully compliant. SAR filing, monitoring, and KYC in production.	Need to implement financial institution-grade BSA/AML programs from scratch or materially upgrade existing programs.
State preemption	Federal charter preempts all state MTL requirements.	State-licensed players lose preemption protection unless they achieve Federal Qualified status.
Partner credibility	Backed by Visa, Goldman Sachs, KKR, Apollo. Federal charter provides institutional counterparty credibility.	Venture-backed, not bank-chartered. Counterparty risk perception elevated in post-GENIUS world.

7.

The year-ahead playbook

GENIUS creates a narrow, well-defined window where early movers lock in structural advantages.

FOR STABLECOIN ISSUERS

Secure PPSI status now

OCC and FDIC NPRMs define the application framework. Early applicants will be ahead of the backlog when final rules are issued.

Restructure reserve arrangements

Review existing reserve custodians against GENIUS segregation and eligible asset standards. Anchorage provides bank-grade reserve custody directly.

Build to audit-grade reporting

Monthly reserve attestations and third-party audit requirements take effect at Go Live. Systems need 6+ months of runway to be audit-ready.

Evaluate AML / BSA uplift

PPSIs are designated financial institutions. AML programs that pass muster with OCC examiners are materially more robust than typical crypto compliance stacks.

FOR BANKS ENTERING STABLECOINS

Use Anchorage as your infrastructure layer

White-label issuance, reserve management, mint/burn operations, and compliance under one federally regulated roof.

Position ahead of the effective date

Issuers that launch in H2 2026 potentially have 12+ months of operational runway before full enforcement, if a safe harbor is granted. First-mover advantage in bank-issued stablecoins is real.

Leverage state MTL preemption

Partnering with Anchorage (OCC-chartered) eliminates the state-by-state licensing burden that has historically constrained bank stablecoin programs.

FOR FINTECHS AND PAYMENT COMPANIES

Partner, don't build from scratch

Becoming a Federally-qualified PPSI is a time consuming and intensive process. Partnering with a Federal Qualified Payment Stablecoin Issuer compresses that timeline to weeks.

The safe harbor is not permission to delay

Institutions (banks, asset managers, corporates) will demand GENIUS-compliant stablecoins for treasury, payroll, and settlement use cases before 2028. Early adoption of PPSI-issued products is a sales advantage.

Evaluate foreign markets in parallel

GENIUS is establishing the global standard. Fintechs with cross-border operations should map GENIUS requirements against MiCA, MAS, and other frameworks now.

FOR CRYPTO-NATIVE PLAYERS

Exchanges: begin compliance triage

Audit current stablecoin listings for PPSI compliance. Build a roadmap for delisting or restricting non-compliant tokens before the 2028 deadline.

Protocols: adopt PPSI stablecoins

Integrate Anchorage-issued or partner-issued PPSI stablecoins as the settlement layer. This improves institutional user access and legal clarity.

DeFi: monitor Treasury's study

The carve-out today may narrow in future legislation. Design protocols with optionality.

GENIUS GO-LIVE CHECKLIST FOR PARTNERS

- ✓ Identify target issuance structure (bank subsidiary, Federal Qualified Payment Stablecoin Issuer, or state-qualified pathway).
- ✓ File or confirm PPSI application with primary federal regulator (OCC, FDIC, Federal Reserve, or NCUA).
- ✓ Implement BSA/AML/OFAC program meeting financial institution standards (SAR filing, CDD, transaction monitoring).
- ✓ Target go-live ahead of the statutory effective date (the earlier of January 18, 2027 or 120 days after final rules are issued) to capture first-mover positioning.
- ✓ Confirm reserve custody arrangement meets GENIUS eligible asset and segregation standards.
- ✓ Build reserve reporting infrastructure capable of monthly attestation and third-party audit.
- ✓ Engage distribution partners and confirm their stablecoin listing standards are GENIUS-compliant.

8.
Why this moment matters

Regulated digital dollars are no longer a compliance project. They are the new infrastructure for payments, treasury, and cross-border settlement.

GENIUS does not legalize stablecoins, they were already legal. What it creates is institutional-grade certainty: payment stablecoins issued by PPSIs are eligible for cash-equivalent accounting, bank collateral, and wholesale settlement, built on audited, regulated reserves. That changes the calculus for every bank, fintech, payment network, and corporate treasury watching from the sidelines.

The window to position ahead of this shift is now. Final rules are statutorily required by July 2026, and the market will reorganize around PPSI status well before the potential January 2027 effective date, because institutional counterparties, exchanges, and corporates will demand GENIUS-compliant stablecoins in their operations ahead of that deadline.

Anchorage Digital is not waiting for that reorganization. We are already the infrastructure.

Our national bank charter, full-stack issuance capabilities, reserve management, and compliance infrastructure were designed for exactly this moment.

Discuss your stablecoin program

To discuss how GENIUS implementation affects your stablecoin program, reach out to Anchorage Digital Stablecoin Business Development at stablecoins@anchorage.com.

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Disclosures

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For institutions participating in custody, staking, or governance with Anchorage's Singapore entity, those services are offered through Anchorage Digital Singapore Pte Ltd ("Anchorage Digital Singapore"), a major payments institution licensed by the Monetary Authority of Singapore.

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Anchorage Digital Bank National Association offers fiat custody services through the use of an FDIC-insured, licensed sub-custodian.

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