DIGITAL CURRENCY MONETARY AUTHORITY

RESPONSE TO U.S. TREASURY GENIUS ACT SECTION 3 NPRM

Questions 1-87

MSRM-7 Primary-Layer Analysis and DCMA Recommendations

Submitted to the U.S. Department of the Treasury
in response to the GENIUS Act Section 3 Notice of Proposed Rulemaking

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Digital Currency Monetary Authority

Response Methodology

This draft applies a single-primary-layer discipline. For each Treasury question, DCMA identifies the financial or monetary substance of the issue, assigns the principal determination to the one MSRM-7 layer that functionally owns it, and provides a direct recommendation. Other MSRM-7 layers are not listed merely because they participate elsewhere in the transaction.

MSRM-7 progressive stack: Authority -> Governance -> Denomination -> Credit -> Issuance -> Market -> Settlement. Not every layer is invoked for every monetary operation, but applicable layers retain this fixed precedence. A downstream layer consumes rather than redefines authoritative upstream determinations.

Basis of response: Existing law and regulation are distinguished from independently implemented DCMS/MSRM-7 policy and architecture, and from DCMA recommendations offered to Treasury. DCMS functionality is not attributed to Congress or Treasury unless the governing authority establishes it.

Money class: Institutional Private Money - Payment Stablecoin, unless a question materially requires another classification.

Context and Basis of DCMA's Response

The Digital Currency Monetary Authority (DCMA) submits these comments from the perspective of a monetary authority that has designed, implemented, and operated a digital currency monetary system addressing the issuance, governance, use, and settlement of digital money.

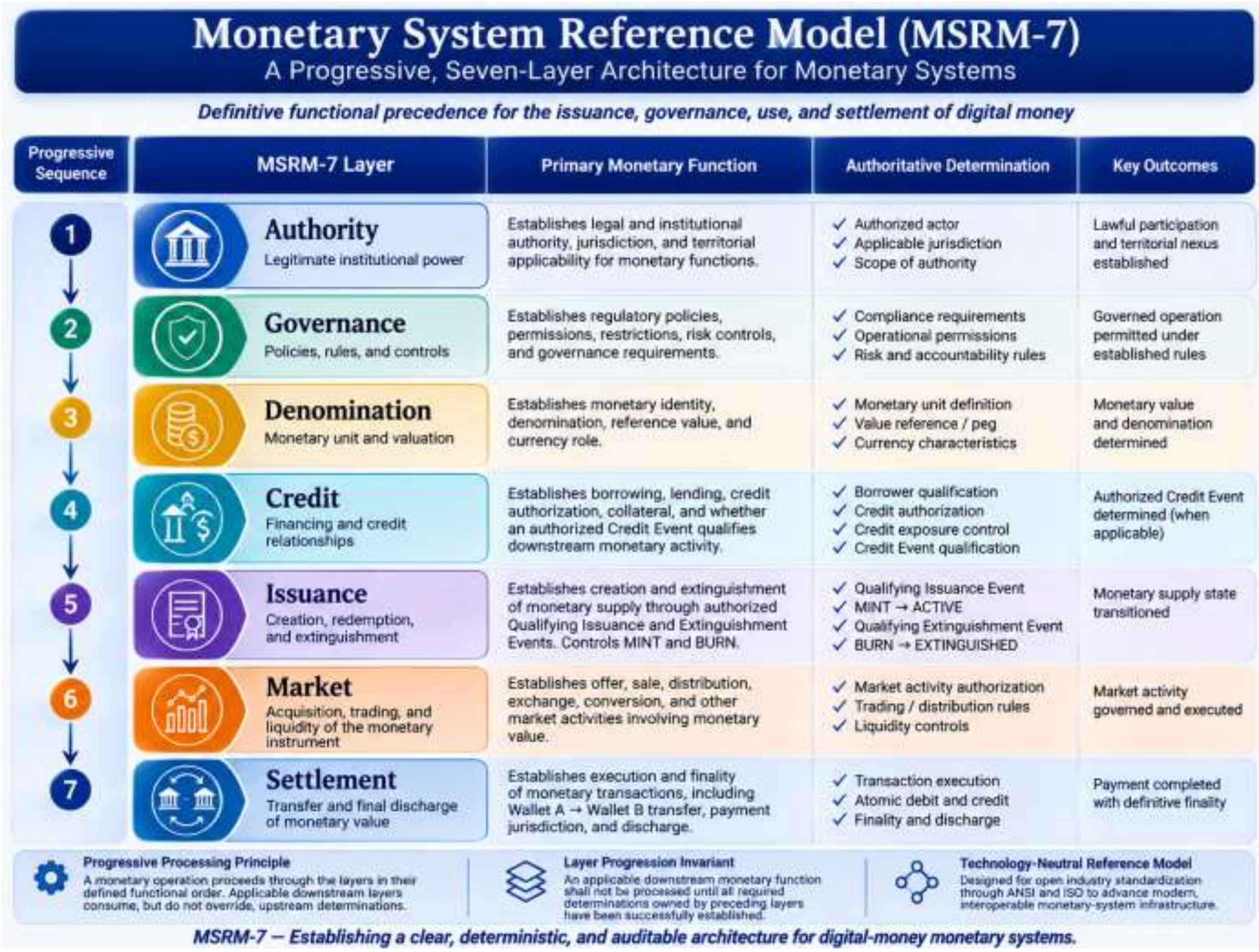
DCMA's Digital Currency Monetary System (DCMS) extends beyond the present scope, governance requirements, and use cases addressed by the GENIUS Act. As a result, many of the monetary, operational, governance, jurisdictional, issuance, market, and settlement questions presented by Treasury have already required concrete resolution within the design and implementation of the DCMS.

DCMA therefore approaches Treasury's 87 questions as implementation questions as well as regulatory questions. Where the underlying monetary-system issue has already been addressed within the DCMS, these comments present the implemented approach and explain how the underlying function is represented within the **Monetary System Reference Model — Seven-Layer Architecture (MSRM-7)**.

MSRM-7 abstracts monetary-system processing into the following progressive architecture:

Authority → Governance → Denomination → Credit → Issuance → Market → Settlement

MSRM-7 Functional Reference Model



Monetary System Reference Model (MSRM-7)

A Progressive, Seven-Layer Architecture for Monetary Systems

Definitive functional precedence for the issuance, governance, use, and settlement of digital money

Progressive Sequence	MSRM-7 Layer	Primary Monetary Function	Authoritative Determination	Key Outcomes
1	**Authority** Legitimate institutional power	Establishes legal and institutional authority, jurisdiction, and territorial applicability for monetary functions.	✓ Authorized actor ✓ Applicable jurisdiction ✓ Scope of authority	Lawful participation and territorial nexus established
2	**Governance** Policies, rules, and controls	Establishes regulatory policies, permissions, restrictions, risk controls, and governance requirements.	✓ Compliance requirements ✓ Operational permissions ✓ Risk and accountability rules	Governed operation permitted under established rules
3	**Denomination** Monetary unit and valuation	Establishes monetary identity, denomination, reference value, and currency role.	✓ Monetary unit definition ✓ Value reference / peg ✓ Currency characteristics	Monetary value and denomination determined
4	**Credit** Financing and credit relationships	Establishes borrowing, lending, credit authorization, collateral, and whether an authorized Credit Event qualifies downstream monetary activity.	✓ Borrower qualification ✓ Credit authorization ✓ Credit exposure control ✓ Credit Event qualification	Authorized Credit Event determined (when applicable)
5	**Issuance** Creation, redemption, and extinguishment	Establishes creation and extinguishment of monetary supply through authorized Qualifying Issuance and Extinguishment Events. Controls MINT and BURN.	✓ Qualifying Issuance Event ✓ MINT → ACTIVE ✓ Qualifying Extinguishment Event ✓ BURN → EXTINGUISHED	Monetary supply state transitioned
6	**Market** Acquisition, trading, and liquidity of the monetary instrument	Establishes offer, sale, distribution, exchange, conversion, and other market activities involving monetary value.	✓ Market activity authorization ✓ Trading / distribution rules ✓ Liquidity controls	Market activity governed and executed
7	**Settlement** Transfer and final discharge of monetary value	Establishes execution and finality of monetary transactions, including Wallet A → Wallet B transfer, payment jurisdiction, and discharge.	✓ Transaction execution ✓ Atomic debit and credit ✓ Finality and discharge	Payment completed with definitive finality

Progressive Processing Principle
A monetary operation proceeds through the layers in their defined functional order. Applicable downstream layers consume, but do not override, upstream determinations.

Layer Progression Invariant
An applicable downstream monetary function shall not be processed until all required determinations owned by preceding layers have been successfully established.

Technology-Neutral Reference Model
Designed for open industry standardization through ANSI and ISO to advance modern, interoperable monetary-system infrastructure.

MSRM-7 — Establishing a clear, deterministic, and auditable architecture for digital-money monetary systems.

This functional progression remains constant, although every layer need not be invoked for every monetary operation. Each applicable layer owns a defined monetary function and produces an authoritative determination that may be consumed by subsequent applicable layers. A subsequent layer may apply that determination within its own functional scope but does not redefine, substitute for, or override a determination owned by a preceding layer.

In the interest of advancing payment-stablecoin infrastructure and monetary-system interoperability, DCMA is offering MSRM-7 as a proposed open monetary-system reference standard for consideration through national and international standards-development processes, including ANSI and ISO. Treasury's 87 questions additionally provide a rigorous regulatory stress test through which the functional boundaries, processing rules, and implementation capabilities of the reference model can be evaluated against concrete payment-stablecoin issues arising under the GENIUS Act.

Three Sources of Authority and Recommendation

The basis for individual statements in these comments should be distinguished carefully.

Basis	Meaning within this Response
Existing Law / Regulation	Requirements established by the GENIUS Act, proposed Part 1523, or other applicable legal and regulatory authority. DCMA does not attribute requirements to Congress, Treasury, or another governmental authority that the governing authority has not established.
DCMS / MSRM-7 Policy and Architecture	Monetary rules, controls, classifications, processing requirements, and enhanced functionality independently established and implemented within DCMA's Digital Currency Monetary System. These capabilities may address subjects not presently governed by the GENIUS Act or provide greater operational specificity than existing law or proposed regulation.
DCMA Recommendation to Treasury	Recommendations that Treasury consider adopting, recognizing, clarifying, or otherwise incorporating a monetary rule, control, classification, or implementation approach demonstrated through the DCMS and represented through MSRM-7. A DCMA recommendation is not characterized as an existing statutory or regulatory requirement unless the governing authority independently establishes it.

This distinction is important because regulation does not define the complete functional boundary of a monetary system. A production monetary system must resolve operational questions even where legislation or regulation is silent, establish deterministic processing rules where regulatory requirements remain general, and support monetary functions and use cases extending beyond those expressly addressed by a particular statute.

Accordingly, where the GENIUS Act establishes a governing requirement, DCMA's response applies that requirement to the monetary-system function at issue. Where Treasury seeks regulatory clarification, DCMA identifies the operational rule used within the DCMS to resolve the underlying implementation problem. Where DCMS functionality extends beyond the present scope of the Act, DCMA identifies that distinction and, where appropriate, offers the implemented approach for Treasury's consideration.

From Regulatory Question to Implemented Monetary Rule

The responses therefore apply the following analytical progression:

Treasury Regulatory Question → Financial and Monetary Substance → Existing Legal/Regulatory Baseline → DCMS Implemented Solution → Primary MSRM-7 Functional Owner → DCMA Recommendation

The inclusion of **"Financial and Monetary Substance"** is important. Treasury's questions may combine several legal, commercial, technical, or monetary concepts within a single inquiry. MSRM-7 does not reproduce that functional conflation. Instead, each response identifies the underlying monetary-system determination and assigns that determination to the single MSRM-7 layer that functionally owns it. Other layers may participate in the complete monetary operation without becoming the subject of the regulatory response.

This methodology preserves the distinction between existing law, implemented monetary-system policy, and proposed regulatory policy while allowing Treasury to evaluate operational solutions to questions for which it is presently seeking public comment.

DCMA's contribution is therefore not limited to legal interpretation of proposed Part 1523. It provides Treasury with the perspective of an implemented digital currency monetary system in which many of the questions raised by the NPRM have already required concrete architectural, monetary, and operational resolution.

Where those solutions can strengthen regulatory clarity, monetary integrity, reserve protection, jurisdictional determinism, transaction integrity, or payment-stablecoin functionality, DCMA offers Treasury an implemented monetary-system approach capable of evaluation, standardization, and adoption rather than an abstract regulatory possibility.

Response to Congressional and OCC Call for a Standards Development Initiative

The recommendations presented in this response also implicate a broader implementation requirement: regulatory clarity is most effective when regulated monetary systems can translate legal requirements into consistent, auditable, and interoperable technical specifications.

This need has now been expressly recognized in the GENIUS Act. Section 12 directs the primary Federal payment stablecoin regulators, in consultation with NIST and other relevant standard-setting organizations, to assess standards promoting compatibility and interoperability, and the OCC subsequently addressed that mandate directly in Question 208 of its March 2026 proposed rulemaking. In response to this national standards initiative, DCMA has submitted a formal inquiry to the American National Standards Institute (ANSI) and Accredited Standards Committee X9 proposing evaluation of the **MSRM-7 Monetary System Reference Model and supporting MSRM-7 Reference Model Technical Specifications** for consensus standardization. **That standards-development inquiry is attached as Appendix A.**

QUESTION 1

Question Number	**1**
Treasury Question	Is the extraterritorial effect of section 3 of the Act (12 U.S.C. 5902) (as described in this proposed Part 1523) clear or should Treasury provide additional clarity? For example, should Treasury specify in regulatory text the extent to which Part 1523 has extraterritorial effect as to the issuance of payment stablecoins to persons located outside of the United States?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	jurisdiction_class/type; issuer_jurisdiction; issuance_jurisdiction; recipient_jurisdiction; territorial_nexus_type; extraterritorial_scope
Recommendation	Yes. Treasury should provide additional regulatory clarity by specifying the jurisdictional relationships and territorial nexuses that cause Part 1523 to apply to activity occurring outside the United States. The decisive issue is the legal basis for U.S. authority, not the downstream label placed on the transaction. Treasury should distinguish the jurisdiction of the issuer, the jurisdiction governing the issuance, and the jurisdiction applicable to the recipient, because those jurisdictions need not be identical. Where the Act expressly reaches an offer or sale to a person located in the United States, Treasury should identify the jurisdictional condition that makes that activity subject to Part 1523. Treasury should likewise state when an issuance occurring outside the United States to a recipient whose applicable jurisdiction is outside the United States remains within scope because another statutory U.S. nexus exists. MSRM-7 treats these as typed Authority determinations so downstream functions consume an established jurisdiction rather than independently infer or expand it.
Source Basis	NPRM Q1 and discussion: proposed Part 1523 implements §3 and expressly addresses extraterritorial effect for offers or sales to persons located in the United States. GENIUS Act §3(e).

QUESTION 2

Question Number	2
Treasury Question	Are there any scenarios in which issuing or making available a payment stablecoin would not reasonably be considered an offer or sale? If so, would such activity nonetheless fall within the extraterritorial scope of the Act and this Part? Are there any scenarios in which other conduct or transactions involving a payment stablecoin contemplated by Part 1523 would not reasonably be considered within the extraterritorial scope of the Act?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	qualifying_issuance_event_type; issuance_pathway_type; proof_of_funding; MINT; ACTIVE; issuance_state; supply_state
Recommendation	Yes. Regardless of whether conduct is characterized as an 'offer or sale' or another transaction type, the decisive monetary-integrity issue is whether creation of additional payment-stablecoin supply satisfies an authorized Qualifying Issuance Event before MINT. For the cash-funded issuance pathway, proof that the required cash or reserve funding has been secured must precede MINT. Treasury should specify that no payment stablecoin may be minted through a cash-funded pathway where the MINT would dilute the required cash-reserve peg ratio. Otherwise, an issuer could create additional fungible monetary supply without the corresponding reserve funding, intentionally creating reserve shortfall and redemption risk for all holders. Treasury should distinguish that prohibited condition from a reserve shortfall arising after a valid issuance because of market, custody, liquidity, or other recognized exposure. The terminology used for the associated Market activity should not override the financial substance of the Issuance event: an offer may occur without MINT, and MINT may follow a qualifying event other than a conventional sale, but no MINT should occur without an authorized qualifying event.
Additional Comments	DCMS also implements a credit-funded issuance pathway in which an authorized Credit Event can qualify downstream MINT under DCMS policy and risk controls. That functionality is an implemented DCMS capability and a DCMA policy recommendation; it is not represented here as a requirement presently established by the GENIUS Act. See Figure 1 below.
Source Basis	NPRM Q2; GENIUS Act §3(a), (b), (e), and (h).

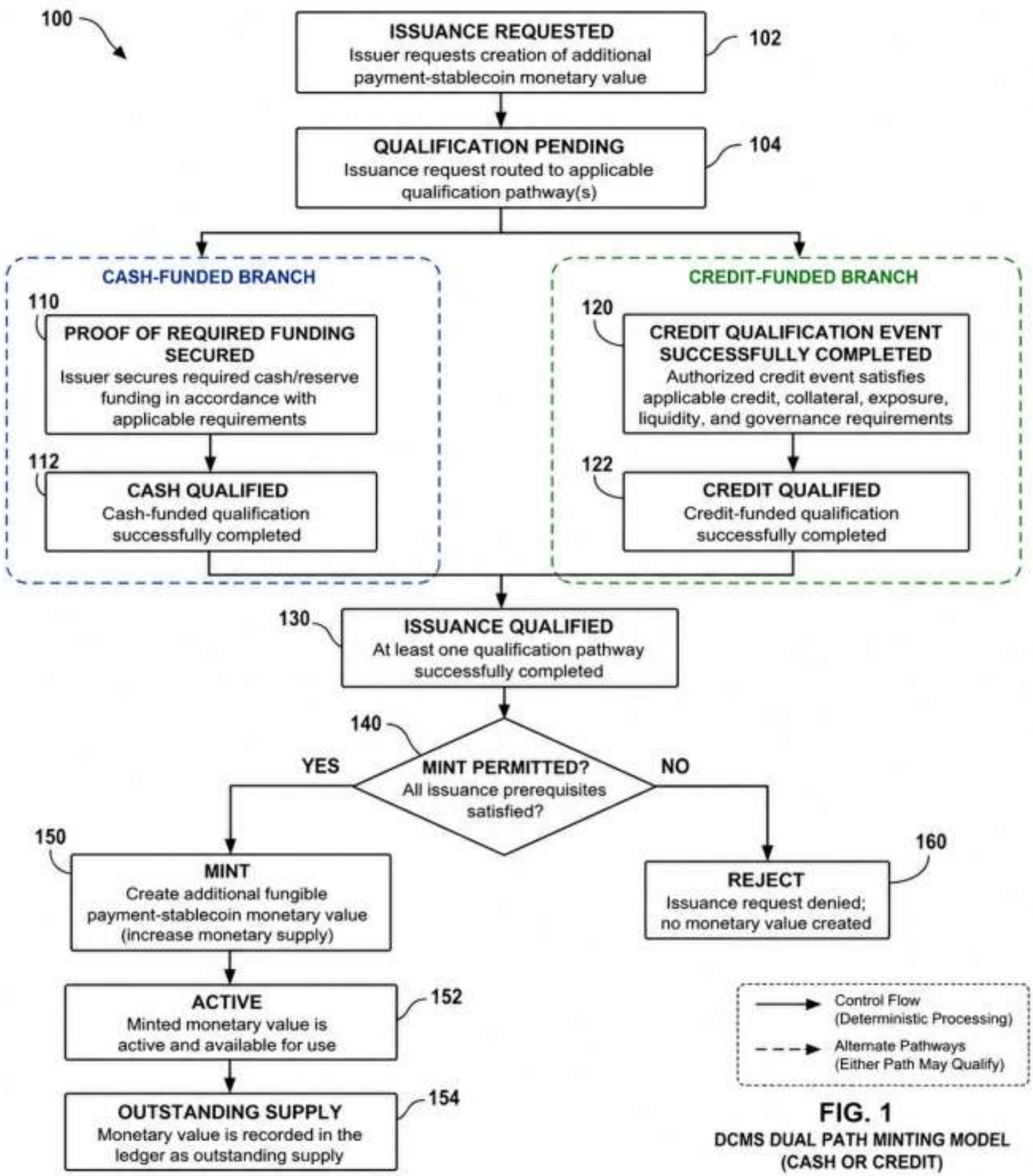


FIG. 1
DCMS DUAL PATH MINTING MODEL (CASH OR CREDIT)

USPTO Patent Pending Technology

QUESTION 3

Question Number	3
Treasury Question	Should any of the terms that would be defined solely by cross-reference to section 2 of the Act (12 U.S.C. 5901) be clarified? For example, should Treasury clarify the application of the term "person" to various entities that may be involved with payment stablecoins, including those that are or may be affiliated with a government entity. If a term's definition depends on other defined terms in the Act, should those nested definitions be spelled out? Should any of the definitions be reproduced in the text of Part 1523 rather than by cross-reference to the Act?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	money_class, issuer_class/type, regulator_class/type, jurisdiction_class/type.
Recommendation	Treasury should reproduce and operationally clarify the definitions that determine regulatory classification or create decision branches in Part 1523. Cross-reference alone is sufficient for purely incorporated terms whose meaning is unambiguous, but not for terms such as person, payment stablecoin, monetary value, permitted payment stablecoin issuer, foreign payment stablecoin issuer, digital asset service provider, and lawful order when those terms determine who or what is governed. Nested definitions that materially change a classification should be stated or incorporated in a readily traceable manner. Government affiliation should not itself remove an entity from "person"; the relevant question is the entity's legal character and any specific statutory exclusion or authority.
Source Basis	NPRM Q3; GENIUS Act §2 definitions.

QUESTION 4

Question Number	**4**
Treasury Question	Should Treasury make any modifications to the definition of "lawful order" as proposed for part 1523, including clarifications, such as to define terms within the definition of "lawful order" as considered by FinCEN for its proposed definition of the term "lawful order" or otherwise to align more closely to FinCEN regulatory definitions?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	lawful_order_class/type, lawful_order_controls, compliance_obligations, auditability.
Recommendation	Treasury should preserve the Act's substantive definition and clarify how a lawful order is implemented rather than broaden the definition by analogy. The regulation should distinguish the legal action being ordered, such as seizure, freezing, burning, or prevention of transfer, and should require validation of the issuing authority, jurisdiction, finality, reasonable particularity, effective time, affected assets or accounts, and any available review or appeal. MSRM-7 represents these distinct actions as Lawful Order Types so that each action can invoke the correct operational rule. Alignment with FinCEN terminology is useful only where it preserves the statutory elements. Treasury should not collapse distinct legal interventions into an undefined generic command.
Source Basis	GENIUS Act §2(16) defines lawful order and its required elements; NPRM Q4 asks whether further clarification or FinCEN alignment is appropriate.

QUESTION 5

Question Number	**5**
Treasury Question	For purposes of section 3 of the Act (12 U.S.C. 5902) and Part 1523, should Treasury interpret the term "payment stablecoin" and related definitions to include a digital asset that the issuer is obligated to redeem in other forms of value that may be the functional equivalent of those forms of "monetary value" enumerated in section 2(17) of the Act (12 U.S.C. 5901(17)) (i.e., national currencies or deposits as defined in section 3 of the Federal Deposit Insurance Act)? For example, should a digital asset that is redeemable only in credit union shares be considered a payment stablecoin within the scope of section 3 of the Act (12 U.S.C. 5902) and these proposed regulations? Does the ubiquitous convertibility of credit union shares and bank deposits in the U.S. financial system bear on this question? Similarly, should digital assets redeemable only in non-deposit liabilities of a company that are commonly viewed by the public as ubiquitously convertible to bank deposits be considered to be payment stablecoins? What are the practical or evasion risks of possible interpretations?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Denomination**
MSRM-7 Specification	denomination_class/type, reference_value_type, reference_monetary_value, valuation_class/type, redemption_value_definition.
Recommendation	Treasury should not expand "monetary value" through an open-ended functional-equivalence test. The Act expressly defines monetary value as national currency or a deposit denominated in national currency. Credit union shares should be included only to the extent they fall within the incorporated statutory concept of deposit or Treasury identifies a specific statutory basis for equivalent treatment. Non-deposit corporate liabilities should not qualify merely because they are commonly convertible into bank deposits. Convertibility is a Settlement or Market characteristic; it does not change the Denomination of the redemption obligation. An open-ended equivalence test would weaken the statutory boundary and create an obvious evasion path through instruments engineered to be economically similar but legally outside the defined monetary-value classes.
Source Basis	GENIUS Act §2(17) defines monetary value as national currency or a deposit denominated in national currency; §2(22) ties payment stablecoin redemption to a fixed amount of monetary value. NPRM Q5 asks about functional equivalents.

QUESTION 6

Question Number	**6**
Treasury Question	Does Treasury's determination that all persons that, for compensation or profit, engage in the business in the United States of issuing payment stablecoins constitute digital asset service providers reflect the best reading of the statute? Assuming payment stablecoin issuers can also be digital asset service providers, is additional clarity needed with respect to how any of section 3's prohibitions regarding the offer or sale of payment stablecoins apply to payment stablecoin issuers? Are there certain digital asset service provider restrictions that should not apply to payment stablecoin issuers, and if so, should it depend on whether the issuers are registered or unregistered under the Act? By contrast, if issuers of payment stablecoins and digital asset service providers are mutually exclusive categories, what changes would be necessary to the proposal to clarify the application of section 3?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	issuer_class/type, issuer_authorization_status, authorization_type.
Recommendation	Treasury's overlapping-role interpretation is the better operational reading. A legal person can be an issuer when performing the monetary issuance function and a digital asset service provider when performing compensated market or financial-service functions covered by section 2(7). The categories should therefore not be mutually exclusive. Treasury should clarify, however, that obligations attach by regulated Role Type and Activity Type rather than by entity label alone. An issuer should be subject to digital asset service provider restrictions when it performs the regulated service-provider activity, including offering or selling another issuer's stablecoin. Registration or authorization status should affect whether the activity is permitted, not erase the functional classification.
Source Basis	NPRM explains Treasury's view that issuer and DASP categories overlap and asks Q6 whether this is the best reading. GENIUS Act §2(7) defines DASP activities.

QUESTION 7

Question Number	**7**
Treasury Question	Should any additional clarification (beyond the one clarification proposed) be provided on the statutory definition of the term "digital asset service provider"?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	participant_class/type, market_activity_class/type, distribution_type, liquidity_provision.
Recommendation	Yes. Treasury should clarify the digital asset service provider definition through activity types and preserve the Act's express exclusions. The decisive inquiry should be whether a person, for compensation or profit, engages in one or more covered business activities in the United States, not merely whether the person supplies technology used by others. Treasury should distinguish exchange, transfer, custody, issuance-related financial service, issuer-as-service-provider, and excluded protocol/self-custody/validation/liquidity-pool activities. This would reduce uncertainty where a single enterprise performs several functions.
Source Basis	GENIUS Act §2(7) lists DASP activities and exclusions; NPRM Q7 asks whether additional clarification is needed.

QUESTION 8

Question Number	8
Treasury Question	Is the proposed definition of "issue" appropriate and clear as to the point in time at which an issuance occurs? Should a payment stablecoin be considered to have been issued earlier or later in the process of creating a payment stablecoin?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	qualifying_events, reserve_qualification, issuance_activation_rule, minting_event, issuance_state.
Recommendation	Treasury should define the payment-stablecoin issuance lifecycle as an ordered event sequence. For the U.S. pegged payment-stablecoin profile, proof that the pegged funds are deposited or otherwise secured is a mandatory prerequisite, and MINT is the decisive final Issuance Event. A MINT request must fail if the required pegged-funds prerequisite has not been satisfied. A successful MINT transitions the issuance transaction to ACTIVE.
Source Basis	NPRM Q8 and proposed definition of issue focus on first transfer; GENIUS Act §4(a)(1)(A) requires identifiable reserves backing outstanding payment stablecoins at least 1:1.

QUESTION 9

Question Number	**9**
Treasury Question	Should a payment stablecoin that is minted and exists on the public blockchain be considered issued even where the issuer holds the payment stablecoin in its treasury?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	qualifying_events, reserve_qualification, minting_event, issuance_activation_rule, issuance_state, issuance_timestamp.
Recommendation	DCMA recommends a definitive rule. For a pegged payment stablecoin, issuance occurs when the required prerequisite Issuance Events have been satisfied and MINT successfully occurs. Proof of pegged funds deposited or otherwise secured must precede MINT. MINT is the final and decisive Issuance Event; successful MINT transitions the issuance transaction to ACTIVE. A later wallet-to-wallet payment is a separate transaction and is not part of the issuance determination.
Source Basis	NPRM states that a minted digital asset held in issuer treasury would not be considered issued and asks Q9. MSRM-7 adds the Qualifying Event construct.

QUESTION 10

Question Number	**10**
Treasury Question	Is the phrase "first transfer" sufficiently clear in the context of payment stablecoin issuance? Should the definition incorporate other existing concepts relating to transfer, such as transfer of control or transfer of possession under the UCC?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	minting_event, issuance_activation_rule, issuance_state, fungible_balance_accounting.
Recommendation	Minting should be treated as the decisive final issuance event for this payment-stablecoin profile, provided the mandatory issuance prerequisites have already been satisfied. Treasury should not make a later payment, distribution, or wallet-to-wallet transaction necessary to complete issuance. That would conflate issuance with a separate monetary transaction.
Source Basis	NPRM Q10 asks whether first transfer is sufficiently clear and whether UCC control or possession concepts should be incorporated.

QUESTION 11

Question Number	**11**
Treasury Question	Should a payment stablecoin that a third party has purchased be considered issued upon offer or sale, even though it has not yet been transferred to the third party (or potentially even minted)?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	offer_and_sale, market_activity_type, offer_type, sale_type, presale/distribution_type.
Recommendation	No. Purchase, offer, or sale should not by itself constitute issuance where the payment stablecoin has not satisfied its required issuance prerequisites. A binding purchase can create contractual rights and constitute a Market-layer sale or presale before the stablecoin is minted or issued. The instrument should become issued only when the required monetary conditions are satisfied, including reserve qualification and the first legally operative transfer of stablecoin rights. Treasury should expressly distinguish a pre-issuance contractual claim from the issued payment stablecoin.
Source Basis	NPRM Q11 expressly asks whether purchase before transfer or minting should constitute issuance.

QUESTION 12

Question Number	**12**
Treasury Question	What additional clarification would be useful regarding when a payment stablecoin is transferred "indirectly" by an issuer? Should Treasury clarify that this would cover, for example, transfers that occur automatically through smart contracts or other mechanisms?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	qualifying_events, issuing_event_type, issuance_activation_rule, issuance_exclusions.
Recommendation	Treasury should codify issuance as an ordered lifecycle rather than collapse qualification, MINT, and later circulation into one event. For this profile, the required prerequisite is proof of pegged funds secured and the decisive final event is MINT. Activity after MINT must be classified independently according to its actual function.
Source Basis	NPRM explains indirect transfers through agents/intermediaries and asks Q12 whether smart-contract and automated mechanisms should be expressly covered.

QUESTION 13

Question Number	**13**
Treasury Question	How should purported restrictions on the class of holders eligible to redeem the payment stablecoin, or the time or manner in which they can do so, be considered when determining whether a payment stablecoin has been issued? For example, should a payment stablecoin be considered issued if there is no obligation at present to redeem the payment stablecoin, but there is an obligation to redeem it in the future? Should it matter whether the obligation to redeem the payment stablecoin in the future is known with certainty (e.g., the payment stablecoin can be redeemed starting six months after issuance), or whether the existence of the obligation to redeem the payment stablecoin in the future is dependent on an uncertain trigger event or condition (e.g., the payment stablecoin can be redeemed only if a particular trigger occurs)?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Denomination**
MSRM-7 Specification	redemption_value_definition, monetary_use_permissions/restrictions.
Recommendation	Holder eligibility and redemption timing should not determine issuance by themselves. The decisive question is whether, when the instrument is issued, the issuer has a legally enforceable obligation to convert, redeem, or repurchase it for the defined fixed monetary value, even if execution is deferred or may be exercised through an eligible intermediary. A known future redemption date can therefore coexist with issued status if the obligation is presently binding. By contrast, if redemption arises only upon an uncertain future event and no present enforceable redemption obligation exists, Treasury should not automatically treat the instrument as satisfying the statutory payment-stablecoin definition. Treasury should distinguish Redemption Eligibility Type, Redemption Timing Type, and Redemption Condition Type.
Source Basis	NPRM Q13 asks how holder restrictions, delayed redemption, and certain versus contingent future redemption obligations should affect issuance.

QUESTION 14

Question Number	**14**
Treasury Question	How should a payment stablecoin that has been redeemed or is otherwise transferred back to the issuer be viewed? If the payment stablecoin is held by the issuer (rather than being burned) for a time and is thereafter transferred to a third party, should that constitute a new issuance or only a new offer or sale?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	redemption_state_transition, issuance_state_type, extinguishment_event, qualifying_event_type.
Recommendation	A payment stablecoin that has been redeemed or otherwise reacquired by the issuer should cease to be treated as outstanding issued money once the issuer's corresponding third-party redemption liability has been discharged. Burning is not necessary to that monetary result; it is a technical lifecycle action. If the issuer later transfers the same token representation to a third party and again creates the stablecoin rights and liability, that transfer should constitute a new issuance, not merely a resale. The new issuance must satisfy the applicable required issuance prerequisites again, including reserve qualification.
Source Basis	NPRM states that subsequent transfer after redemption/reacquisition is considered a new issuance whether or not the token was burned and asks Q14.

QUESTION 15

Question Number	**15**
Treasury Question	Which types of activity by an issuer, or by a person acting on behalf of an issuer, including activity that could be considered to be secondary market activity, should be treated as an issuance, and which should not? Should the analysis differ for issuer buybacks and resales, market-making activity, transfers of redeemed or reacquired stablecoins, or recovered or seized tokens?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	issuing_event_class/type, qualifying_event_type, participation_in_issuance, redemption_state_transition, issuance_exclusions.
Recommendation	Treasury should classify the activity by monetary effect rather than by labels such as buyback, resale, market making, or secondary market. Activity is an issuance when it creates or recreates an issuer-to-third-party payment-stablecoin obligation and all required required issuance prerequisites are satisfied. Ordinary secondary-market transfers between third parties are not issuance because they do not create a new issuer-originated monetary obligation. An issuer buyback or redemption terminates or suspends the outstanding obligation; a later issuer resale or transfer that recreates that obligation is a new issuance. Market making by an independent third party is not issuance unless the person is acting on behalf of the issuer to complete the first qualifying transfer or otherwise creates the issuer-originated claim. Recovered or seized tokens should be classified according to the lawful order and their lifecycle state; transfer pursuant to a lawful order should not be mechanically treated as commercial issuance.
Source Basis	NPRM Q15 asks which issuer/agent, buyback/resale, market-making, reacquired-token, and recovered/seized-token activities should count as issuance.

QUESTION 16

Question Number	**16**
Treasury Question	Should an increase in the aggregate amount of payment stablecoins outstanding be a necessary condition for an activity to constitute an issuance? Are there circumstances in which the aggregate amount outstanding does not increase, but the activity should nevertheless be treated as an issuance, such as certain chain migrations, burning of tokens, wrapped-token arrangements, or transfers of previously redeemed or reacquired stablecoins?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	outstanding_issuance_value, issuance_state_type, qualifying_event_type, qualifying_event_type = EXTINGUISHMENT, issuing_event_type = BURN.
Recommendation	No. An increase in aggregate outstanding value should not be a necessary condition of issuance. Outstanding supply is a stock measure; issuance is a lifecycle event. A previously redeemed or reacquired unit can be newly issued even when an offsetting burn, redemption, or migration leaves aggregate supply unchanged. Conversely, a technical increase in token count should not itself establish issuance if no new third-party monetary rights arise. Treasury should therefore determine issuance from the creation or recreation of the issuer-to-holder payment-stablecoin obligation and satisfaction of the applicable required issuance prerequisites.
Source Basis	NPRM Q16 expressly distinguishes issuance from changes in aggregate outstanding amount and identifies migrations, burns, wrapped tokens, and reacquired tokens as examples.

QUESTION 17

Question Number	**17**
Treasury Question	Under what circumstances should internal transfers, custody movements, treasury-management activity, or other activity by or on behalf of an issuer be treated as an issuance? How should the definition apply to transfers among issuer-controlled wallets, transfers to custodians or agents acting solely for the issuer, transfers to affiliates, transfers to omnibus accounts, or transfers to exchanges, market makers, liquidity providers, or other intermediaries that may later make the payment stablecoin available to third parties?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	qualifying_event_type = FIRST_TRANSFER_OF_RIGHTS, issuance_exclusions, issuance_participant_type, issuance_state_type.
Recommendation	Internal movements should not be treated as issuance unless they complete a legally operative transfer of payment-stablecoin rights to a person other than the issuer. Transfers among issuer-controlled wallets and movements to custodians or agents acting solely for the issuer should ordinarily remain pre-issuance or internal activity. Transfers to affiliates require a functional inquiry into whether the affiliate receives independent holder rights. Transfers to omnibus accounts, exchanges, market makers, or liquidity providers become issuance when those persons, or customers beneficially represented through them, acquire the right to use, transfer, convert, redeem, or repurchase the stablecoin.
Source Basis	NPRM Q17 asks specifically about issuer wallets, custodians, agents, affiliates, omnibus accounts, exchanges, market makers, and liquidity providers.

QUESTION 18

Question Number	**18**
Treasury Question	How should the theft of a payment stablecoin from the issuer or the unintended transfer of a payment stablecoin to a third party by the issuer be viewed? What about a transfer in the absence of a sale (e.g., an airdrop)? Should the payment stablecoins in these examples be considered to have been issued?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	issuing_event_type, qualifying_event_type = FIRST_TRANSFER_OF_RIGHTS, issuance_exclusions, issuance_state_type.
Recommendation	Theft and unintended transfer should not automatically constitute issuance because issuance should require an attributable issuer act that validly creates or transfers the relevant monetary rights. A stolen treasury token may technically leave issuer control without an authorized issuance event; Treasury should distinguish unauthorized possession from lawful creation of holder rights. An airdrop is different: absence of a sale does not prevent issuance. If the issuer intentionally transfers stablecoin rights to recipients and all other required issuance prerequisites are satisfied, the airdrop constitutes issuance.
Source Basis	NPRM Q18 expressly contrasts theft, unintended transfer, and transfers without sale such as airdrops.

QUESTION 19

Question Number	**19**
Treasury Question	Under what circumstances, if any, should the transfer or movement of a payment stablecoin from one blockchain network to another, including through a bridge or similar cross-chain mechanism, be treated as an issuance? Should the treatment depend on the technical structure of the bridging arrangement, including whether the arrangement uses a lock-and-mint, burn-and-mint, liquidity-pool, issuer-operated bridge, third-party bridge, or other mechanism?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Settlement**
MSRM-7 Specification	interoperability_type, cross_border_settlement, settlement_event_type = TRANSFER_OF_MONETARY_RIGHTS.
Recommendation	Cross-chain movement should not be treated as issuance merely because the technical representation changes networks. The controlling question is whether the destination token preserves the same existing monetary claim or creates a new claim against an issuer. A lock-and-mint arrangement that creates a separate redeemable claim may constitute issuance of the wrapped representation; a burn-and-mint migration that extinguishes the source representation and preserves one continuous issuer liability may be an interoperability/lifecycle migration rather than a new economic issuance. Treasury should regulate by legal and monetary effect, not bridge architecture alone.
Source Basis	NPRM Q19 lists lock-and-mint, burn-and-mint, liquidity-pool, issuer-operated, third-party, and other bridge structures.

QUESTION 20

Question Number	**20**
Treasury Question	Under what circumstances, if any, should a bridge provider, bridge operator, custodian, or other intermediary involved in cross-chain transfers be treated as an issuer of a payment stablecoin? What factors should be relevant to that determination, including control over minting or burning, control over reserve assets, redemption obligations, contractual rights, or the ability to create or retire tokenized claims?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	issuer_class/type, issuer_authorization_status, participant_roles.
Recommendation	A bridge provider or intermediary should be treated as an issuer only when it assumes the defining monetary obligations of the payment stablecoin, not merely because it performs technical minting, burning, custody, or routing. The strongest indicators are legal responsibility to convert, redeem, or repurchase the bridged claim for fixed monetary value and responsibility for maintaining its stable value. Control over reserves and the unilateral ability to create or retire claims are additional evidence. Technical control alone should establish participation or infrastructure responsibility, not issuer status.
Source Basis	NPRM Q20 asks whether bridge providers and intermediaries become issuers and identifies mint/burn control, reserves, redemption obligations, contractual rights, and claim creation/retirement as relevant factors.

QUESTION 21

Question Number	**21**
Treasury Question	Under what circumstances should the creation, minting, distribution, or transfer of a wrapped version of a payment stablecoin, a bridged representation of a payment stablecoin, a deposit receipt, or another tokenized claim referencing a payment stablecoin be treated as a new issuance? Should the analysis depend on the economic or legal rights embedded in the wrapped token, receipt token, or other instrument, including rights to use, transfer, redeem, convert, or obtain the underlying payment stablecoin or related reserve value?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Denomination**
MSRM-7 Specification	instrument_class/type, reference_value_type, redemption_value_definition.
Recommendation	A wrapped token, bridged representation, deposit receipt, or other tokenized claim should be treated as a new issuance when it is itself a distinct monetary instrument carrying independent rights to use, transfer, redeem, convert, or obtain monetary value. A representation that merely evidences custody or technologically mirrors an existing claim without creating a second enforceable monetary claim should not automatically be classified as a new payment-stablecoin issuance. Treasury should first classify the legal and economic instrument, then determine whether its rights satisfy the statutory payment-stablecoin definition.
Source Basis	NPRM Q21 directs Treasury to examine the economic and legal rights embedded in wrapped, bridged, receipt, and other tokenized claims.

QUESTION 22

Question Number	**22**
Treasury Question	Is it clear from the definition of "issue" that an issuer directly minting a payment stablecoin into a holder's account is considered an issuance? If not, how could that be made more clear?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	issuing_event_type = MINT, qualifying_event_type = FIRST_TRANSFER_OF_RIGHTS, qualifying_event_type, issuance_effective_timestamp.
Recommendation	Treasury should make this clearer. Direct minting into a holder's account can simultaneously perform technical creation and the post-issuance wallet transaction, but minting itself should not be the legal test. The regulation should state that where minting directly credits a holder so that the holder obtains the rights to use, transfer, convert, redeem, or repurchase the stablecoin, the mint-and-credit event satisfies the first-transfer component of issuance. Issued status should still require satisfaction of every other applicable required issuance prerequisite, including reserve qualification.
Source Basis	NPRM Q22 asks whether direct minting into a holder account is clearly an issuance. The proposal elsewhere treats direct minting to a holder wallet as a first transfer.

QUESTION 23

Question Number	**23**
Treasury Question	Is the proposed definition of "issuer" appropriate and clear? Is a definition of "issuer" necessary at all? Should either of the proposed prongs be sufficient? For example, should having a redemption obligation be independently sufficient to be treated as an issuer, without inquiry into representations or expectations regarding maintaining a stable value, or vice versa? Should the definition of "issuer" also include a prong related to the minting or creation of the payment stablecoin? If so, how should the definition account for an issuer that contracts out the technical work of minting the payment stablecoin to a third party?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	issuer_class/type, issuer_authorization_status.
Recommendation	A definition of issuer is necessary, and Treasury's two-prong approach is directionally sound because it identifies the person bearing the core monetary obligation associated with the statutory payment-stablecoin definition. Neither technical minting nor branding should independently create issuer status. Treasury should not make either proposed prong independently sufficient without considering whether the instrument itself satisfies the statutory definition. The issuer should be the person legally responsible for the fixed-value conversion/redemption/repurchase obligation and the associated stable-value undertaking or representation. Outsourced minting should be classified as participation in issuance.
Source Basis	NPRM Q23 asks whether issuer needs definition, whether either prong is independently sufficient, and whether minting should be an additional prong.

QUESTION 24

Question Number	**24**
Treasury Question	Are there situations in which the two activities that define "issuer" under the proposal are conducted by different persons? In those cases, who should be viewed as the issuer of the payment stablecoin? Is there a risk of evasion if activities are split among persons to attempt to avoid any one of them being considered the issuer? What about a corporate structure where a single subsidiary or affiliate has the legal obligation to redeem the payment stablecoins, but the issuance activities are otherwise carried out in a separate public-facing entity?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	issuer_class/type, legal_obligor, authorization_type.
Recommendation	Yes, the relevant functions can be divided among different persons. Treasury should resist an entity-form test that allows issuer responsibility to disappear through contractual fragmentation. The primary issuer should ordinarily be the legal person bearing the payment-stablecoin redemption and stable-value obligation. Other entities performing public-facing issuance, distribution, technical creation, reserve administration, or program management should be classified according to their actual roles and may be participants in issuance. If multiple persons jointly assume the defining monetary obligation, multiple-issuer treatment may be appropriate. Anti-evasion rules should aggregate coordinated arrangements when functions are deliberately divided to avoid authorization.
Source Basis	NPRM Q24 expressly addresses split functions, evasion risk, and structures where one affiliate bears the legal redemption obligation while another performs public-facing issuance activity.

QUESTION 25

Question Number	**25**
Treasury Question	Can there be more than one issuer of a payment stablecoin? For example, if a parent entity functionally takes all steps to issue the payment stablecoin but the obligation is legally recorded as a liability of a subsidiary or affiliate, is only the subsidiary or affiliate considered the issuer, or has the parent also issued a payment stablecoin? Similarly, in a white label arrangement, should a person providing its branding for the payment stablecoin be considered an issuer? Does that answer change if the parent, person providing its branding, or another person has a joint or secondary obligation (e.g., through a guarantee) to redeem or repurchase the payment stablecoin (e.g., in the event that the original obligee fails to redeem or repurchase)? Is it better to treat the parent, person providing its branding, or other person as "participating" in the issuance in accordance with proposed § 1523.2(d) below, rather than as an issuer of the payment stablecoin?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	issuer_class/type, joint_obligation_type, authorization_status.
Recommendation	More than one issuer should be recognized only where more than one person independently or jointly bears the defining payment-stablecoin monetary obligation. A parent that merely manages operations, a white-label brand provider, or a technical service provider should not become an issuer solely through functional involvement or branding. A legally enforceable joint redemption obligation can support co-issuer classification. A secondary guarantee is better treated as a separate guarantee or credit-support role unless it makes the guarantor a direct obligor to holders on the stablecoin itself. Treasury should preserve the distinction between issuer and participant in issuance.
Source Basis	NPRM Q25 asks whether multiple issuers are possible and contrasts parent/affiliate, white-label branding, joint or secondary redemption obligations, and participation in issuance.

QUESTION 26

Question Number	**26**
Treasury Question	Is the proposed definition of "located in the United States" appropriate and clear? Is the proposed definition underinclusive of persons who should properly be considered located in the United States? Is the proposed definition overinclusive of persons who should not properly be considered located in the United States?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	jurisdiction_class/type, person_location_type, territorial_nexus_rules.
Recommendation	The proposed definition is workable as a baseline but should be expressed as distinct Location Types rather than a single undifferentiated concept. For individuals, physical presence combined with the temporary-presence exception is a reasonable transaction-time rule. For entities, organization/incorporation or principal place of business provides administrable corporate domicile criteria. Treasury should clarify that "located in the United States" is a regulatory nexus classification for Part 1523, not a universal definition of residence, citizenship, or jurisdiction for other purposes.
Source Basis	NPRM defines individual location principally by physical presence with an exception for temporarily present non-residents, and entity location by U.S. organization/incorporation or principal place of business; Q26 asks whether this is under- or overinclusive.

QUESTION 27

Question Number	**27**
Treasury Question	Should Treasury prescribe standards for what constitutes residence in the United States or temporary presence in the United States?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Settlement**
MSRM-7 Specification	originating_payment_jurisdiction_ref, destination_payment_jurisdiction_ref, jurisdiction_precondition, atomic_payment_transaction.
Recommendation	MSRM-7 should require typed, established jurisdiction rather than a reasonable-location assumption. A payment is between an originating wallet/party and a destination wallet/party, and the required Payment Jurisdiction for each endpoint must be clearly established before the transaction may proceed. Evidence may be used to establish jurisdiction, but if the required jurisdiction remains UNKNOWN, UNRESOLVED, or CONFLICTING, the transaction must fail. Other jurisdiction types, such as import, export, transit, shipping, issuer, or system jurisdiction, remain separately applicable to their own functions and do not substitute for Payment Jurisdiction.
Source Basis	NPRM Q27 asks Treasury whether standards should be prescribed for U.S. residence and temporary presence.

QUESTION 28

Question Number	**28**
Treasury Question	Does Treasury's proposed definition of "located in United States" present substantial operational challenges for issuers or risk of evasion by persons to whom tokens are issued? What considerations and capabilities should Treasury take into account to address such challenges and risks?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Settlement**
MSRM-7 Specification	originating_payment_jurisdiction_ref, destination_payment_jurisdiction_ref, jurisdiction_precondition, atomic_payment_transaction.
Recommendation	MSRM-7 should require typed, established jurisdiction rather than a reasonable-location assumption. A payment is between an originating wallet/party and a destination wallet/party, and the required Payment Jurisdiction for each endpoint must be clearly established before the transaction may proceed. Evidence may be used to establish jurisdiction, but if the required jurisdiction remains UNKNOWN, UNRESOLVED, or CONFLICTING, the transaction must fail. Other jurisdiction types, such as import, export, transit, shipping, issuer, or system jurisdiction, remain separately applicable to their own functions and do not substitute for Payment Jurisdiction.
Source Basis	NPRM Q28 asks about operational challenges, evasion, and capabilities Treasury should consider in implementing the proposed location definition.

QUESTION 29

Question Number	**29**
Treasury Question	Should Treasury prescribe standards for what constitutes an entity's principal place of business for purposes of determining its corporate domicile? Should Treasury consider alternatives to what it means to be "located in the United States" for corporate entities, such as where an entity does substantial business? Are all entities, incorporated or unincorporated, that may be issuers of payment stablecoins sufficiently captured by this definition?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Settlement**
MSRM-7 Specification	originating_payment_jurisdiction_ref, destination_payment_jurisdiction_ref, jurisdiction_precondition, atomic_payment_transaction.
Recommendation	MSRM-7 should require typed, established jurisdiction rather than a reasonable-location assumption. A payment is between an originating wallet/party and a destination wallet/party, and the required Payment Jurisdiction for each endpoint must be clearly established before the transaction may proceed. Evidence may be used to establish jurisdiction, but if the required jurisdiction remains UNKNOWN, UNRESOLVED, or CONFLICTING, the transaction must fail. Other jurisdiction types, such as import, export, transit, shipping, issuer, or system jurisdiction, remain separately applicable to their own functions and do not substitute for Payment Jurisdiction.
Source Basis	NPRM Q29 asks whether Treasury should define principal place of business, use alternatives such as substantial business, and ensure unincorporated entities are captured.

QUESTION 30

Question Number	**30**
Treasury Question	Should the term "offer" be defined to expressly state that presales of payment stablecoins that have not yet been issued constitute offers of payment stablecoins?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	market_activity_type, offer_type, prearranged_distribution, offer_and_sale.
Recommendation	Yes. A presale commitment concerning payment stablecoins that have not yet been issued may constitute an offer where the instrument is made available for future purchase, sale, or exchange. Treasury should simultaneously preserve the functional boundary: a presale or offer does not issue money. Issuance occurs only through the applicable issuance event sequence, ending in MINT after the required pegged-funds prerequisite is satisfied.
Source Basis	NPRM states that proposed §1523.1(c) would expressly include making available for purchase, sale, or exchange a payment stablecoin not yet issued and asks Q30 whether presales should expressly constitute offers.

QUESTION 31

Question Number	**31**
Treasury Question	Is the proposed definition of "United States" (together with the statutory definition of "State") clear? Is the proposed definition underinclusive of geographies that should properly be considered part of the United States for purposes of Part 1523? Is the proposed definition overinclusive of geographies that should not properly be considered part of the United States for purposes of Part 1523?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	jurisdiction_class/type, jurisdiction_identifier, territorial_scope.
Recommendation	The proposed definition is sufficiently clear and appropriately seeks to capture the full territory subject to U.S. jurisdiction. Treasury should retain a single authoritative territorial definition rather than permit issuers to construct their own geographic interpretations. MSRM-7 recommends codifying each covered geography through a Jurisdiction Type and standardized jurisdiction identifier so territorial applicability can be implemented consistently across regulated systems.
Source Basis	NPRM Q31 asks whether Treasury's proposed definition captures the appropriate U.S. geographies.

QUESTION 32

Question Number	**32**
Treasury Question	Are there any additional statutory or non-statutory terms that should be defined in Part 1523?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	compliance_event_type.
Recommendation	Yes. Treasury should define additional operational terms necessary to convert the statute into an enforceable monetary implementation framework. Most importantly, Part 1523 should define Issuing Event, Issuing Event Type, required issuance prerequisite, required issuance prerequisite Type, Issuance State, Participant Type, and Authorized Issuer Status. These concepts do not change the statutory model. They codify operational events and classifications that a compliant issuer must already determine in order to know whether a pegged fiat payment stablecoin has lawfully moved from creation to issuance.
Source Basis	NPRM Q32 expressly invites additional statutory or non-statutory definitions. MSRM-7 identifies implementation terms needed to make the Act operationally deterministic.

QUESTION 33

Question Number	**33**
Treasury Question	Does Treasury's interpretation that foreign payment stablecoin issuers that meet the criteria set out in section 18(a) may issue payment stablecoins in the United States reflect the best reading of the Act? What would be the practical effects if foreign payment stablecoin issuers were instead permitted to offer and sell payment stablecoins to persons in the United States but not issue payment stablecoins in the United States?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	issuer_class/type, authorization_type, foreign_issuer_qualification.
Recommendation	Yes. Treasury's interpretation is the stronger implementation of the Act. A foreign payment stablecoin issuer satisfying section 18(a) should be able to issue in the United States subject to every applicable authorization and supervisory prerequisite. Restricting such issuers to offshore issuance followed by U.S. secondary distribution would add intermediaries without improving monetary integrity and could reduce regulatory visibility into the actual issuance event.
Source Basis	NPRM explains Treasury's section 18(a) interpretation and identifies regulatory visibility and unnecessary intermediary steps as practical considerations before asking Q33.

QUESTION 34

Question Number	**34**
Treasury Question	Should § 1523.2(a) address generally which categories of persons may issue a payment stablecoin in the United States (as proposed), or should it list some or all potentially applicable prerequisites to issuing payment stablecoins in the United States (such as the need to obtain the approval of the SCRC pursuant to section 4(a)(12) (12 U.S.C. 5903(a)(12)))?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	authorization_type, issuer_authorization_status, prerequisite_type.
Recommendation	Treasury should identify the applicable prerequisites, not merely the categories of persons eligible to issue. Eligibility answers who may issue; prerequisites determine whether that authority may lawfully be exercised in a particular issuance. Requirements such as SCRC approval should therefore be codified as Authorization Prerequisite Types and, where applicable to the issuance decision, validated as required issuance prerequisites.
Source Basis	NPRM Q34 specifically asks whether §1523.2(a) should identify prerequisites such as SCRC approval.

QUESTION 35

Question Number	**35**
Treasury Question	Should issuance in the United States be determined based on the location of the parties to the transaction? Alternatively, should Treasury consider other, broader measures of nexus to the United States during the issuance process, such as the use of U.S. financial institutions, payment rails, or other infrastructure?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	jurisdiction_nexus_type, issuer_location, recipient_location.
Recommendation	Treasury should retain party location as the primary issuance nexus. Use of a U.S. bank, payment rail, cloud service, validator, or other infrastructure should not independently convert a foreign issuance between foreign parties into a U.S. issuance. Those infrastructure relationships may create separate regulatory obligations, but treating infrastructure use as issuance location would make the rule technologically contingent and difficult to administer.
Source Basis	NPRM Q35 contrasts party location with broader U.S. nexus theories based on financial institutions, payment rails, or infrastructure.

QUESTION 36

Question Number	**36**
Treasury Question	Is the proposed standard for when a payment stablecoin is considered to have been issued in the United States appropriate? For example, should the location of a payment stablecoin issuance be determined based solely on the location of the issuer, or based solely on the location of the third party to which the payment stablecoin has been issued?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	issuer_location, recipient_location, jurisdiction_nexus_type.
Recommendation	Treasury's proposed two-party standard is preferable to relying solely on either issuer location or recipient location. U.S. monetary integrity is implicated when an issuer operates from the United States and when a payment stablecoin is initially issued to a person located in the United States. Either nexus should therefore be sufficient. Requiring both would create an avoidable regulatory gap.
Source Basis	NPRM Q36 asks whether issuer location, recipient location, or the proposed combined approach should determine U.S. issuance.

QUESTION 37

Question Number	**37**
Treasury Question	Are there other situations covered by proposed § 1523.2 for which Treasury should also not deem an issuance in the United States to have occurred in furtherance of the purposes of this Act? For example, should issuances resulting from certain types of reverse solicitations involving payment stablecoins issued by foreign payment stablecoin issuers not be deemed to violate the prohibition?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	foreign_issuer_qualification, jurisdiction_nexus_type.
Recommendation	Treasury should be cautious about creating a broad reverse-solicitation exclusion. For pegged fiat payment stablecoins intended to function as money, the integrity concern is the lawful issuance itself, not merely who initiated commercial contact. Reverse solicitation should not erase an otherwise valid U.S. issuance nexus. Any relief should be narrowly defined and available only where the foreign issuer is otherwise lawfully qualified and the transaction does not circumvent U.S. authorization requirements.
Source Basis	NPRM Q37 asks whether reverse solicitations or other circumstances should be deemed outside U.S. issuance.

QUESTION 38

Question Number	**38**
Treasury Question	What policies, procedures, or controls should support a reasonable belief that the acquiring person is outside the United States? Should Treasury identify specific controls, such as customer identification and due diligence, account-opening information, geographic access restrictions, device- or network-location checks, contractual representations, transaction monitoring, or other controls? Would this diligence take the form of self-attestations, IP address checking, identification document checking, or something else? If the issuer only directly distributed to a digital asset service provider or other intermediary to make the market or otherwise facilitate the transfer of newly-issued payment stablecoins to the ultimate purchasers, should the issuer's obligations be limited to checking whether the intermediary is located in the United States? Or should the issuer be required or expected to work with the intermediary to confirm whether the ultimate purchasers of newly-issued payment stablecoins are located in the United States? Does a reasonableness standard provide sufficient guidance? Should the policies, procedures, and controls be reviewed and updated on a particular cadence?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Settlement**
MSRM-7 Specification	jurisdiction_precondition.
Recommendation	Treasury should require a deterministic jurisdiction-control outcome, not permit unresolved jurisdiction to become executable through a reasonable-belief assumption. The issuer or relevant participant may use ordinary verified identity, wallet, account, organizational, contractual, and other authoritative evidence to establish the required jurisdiction. Network or device location can corroborate the record but should not independently control. If the required jurisdiction cannot be established or conflicting evidence cannot be resolved, the regulated transaction must fail.
Source Basis	NPRM Q38 identifies customer identification, due diligence, account information, geographic controls, IP/device checks, contractual representations, transaction monitoring, intermediary distribution, reasonableness, and review cadence.

QUESTION 39

Question Number	**39**
Treasury Question	Are the proposed examples of when a person would be considered to participate in a violation of section 3(a) appropriate and clear?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	participation_type, knowledge_standard, compliance_event_type.
Recommendation	Yes. Treasury's examples appropriately focus on conduct materially connected to the unlawful issuance: assuming redemption obligations, coordinating key issuance steps, and supporting initial distribution. Treasury should preserve the requirement that participation be knowing and should distinguish initial issuance support from ordinary later secondary-market activity. That distinction protects regulatory precision while preserving Treasury's ability to reach actors who materially enable unlawful issuance.
Source Basis	NPRM describes three non-exclusive participation examples and emphasizes their connection to unlawful issuance before asking Q39.

QUESTION 40

Question Number	**40**
Treasury Question	What additional examples of when a person would be considered to participate in a violation of section 3(a) should Treasury adopt?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	participation_type, prohibited_assistance_type, compliance_event_type.
Recommendation	Treasury should add examples covering persons who knowingly falsify, circumvent, or materially misrepresent an operational condition required for lawful issuance. These should include knowingly supplying false issuer-authorization evidence, reserve qualification evidence, recipient-location information, or compliance certifications; knowingly structuring transactions to bypass required required issuance prerequisites; and knowingly operating technical controls that cause issuance after a required authorization or reserve condition has failed. These examples target financial-system integrity using records and controls that should already exist in a compliant issuance process.
Source Basis	NPRM Q40 asks for additional participation examples. MSRM-7 recommends examples tied to verifiable authorization and issuance controls rather than speculative industry conduct.

QUESTION 41

Question Number	**41**
Treasury Question	Should the situations covered by proposed § 1523.2(d) be non-exhaustive examples of participating in an unlawful issuance, or should they be an exhaustive set? What is the value and risk of providing complete certainty of activities that constitute participation versus preserving flexibility to capture participation in unlawful issuances in ways that are unanticipated or structured to evade proposed rule?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	participation_type, anti_evasion_rules, knowledge_standard.
Recommendation	The examples should remain non-exhaustive. An exhaustive list would create a predictable evasion map in a rapidly changing technical environment. Treasury should provide defined Participation Types and objective factors while preserving authority to address functionally equivalent conduct deliberately structured around enumerated examples. The statutory knowing-participation standard provides the necessary limiting principle.
Source Basis	NPRM Q41 expressly weighs certainty from an exhaustive list against flexibility to capture unanticipated or evasive structures.

QUESTION 42

Question Number	**42**
Treasury Question	Are there situations covered by proposed § 1523.2(d) for which Treasury should grant foreign payment stablecoin issuers or related parties relief in furtherance of the purposes of this Act? If so, what would be the appropriate form(s) of such relief?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	foreign_issuer_qualification, relief_type.
Recommendation	Treasury should not grant categorical relief from participation rules merely because an issuer or related party is foreign. Relief should be available only through defined statutory exemptions, safe harbors, or qualifying foreign-issuer frameworks where equivalent monetary-integrity protections exist. Any relief should be conditional, auditable, and revocable upon failure of the underlying eligibility conditions.
Source Basis	NPRM Q42 asks whether foreign issuers or related parties should receive relief from situations covered by §1523.2(d).

QUESTION 43

Question Number	**43**
Treasury Question	Should Treasury set requirements, guidance, or safe harbors relating to how a person should determine if it is participating in an unlawful issuance in accordance with proposed § 1523.2(d)? If so, would they be similar to or different from the requirements, guidance, or safe harbors contemplated in the prior question relating to proposed § 1523.2(c)? Should the requirements differ based on whether the participant in the issuance is the issuer itself, a person providing its branding in a white label arrangement, a market maker, a service provider, or something else? Should one participant be permitted to rely on the representations of another participant that the issuance is lawful? Are such requirements, guidance, or safe harbors appropriate and necessary for § 1523.2 or should § 1523.2 focus instead on the factual contours of participating in an issuance to a person located in the United States, and reserve questions of knowledge or due diligence to the determination of a "knowing" violation under section 3(f)?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	participant_due_diligence_type, reliance_type, safe_harbor_type, knowledge_standard.
Recommendation	Yes. Treasury should establish role-based requirements and safe harbors because participants have different access to information. An issuer should bear primary responsibility for its authorization and required issuance prerequisites. A regulated service provider, market maker, or white-label participant should be permitted to rely on authoritative issuer status, regulatory registrations, certifications, and contractual representations unless it knows or has reason to know they are false or materially incomplete. Treasury should not require every participant to independently reconstruct the issuer's complete compliance process.
Source Basis	NPRM Q43 asks about role-specific requirements, reliance on another participant, safe harbors, and the relationship between due diligence and the statutory knowing standard.

QUESTION 44

Question Number	**44**
Treasury Question	Treasury is considering an alternative under which issuance to a person located in the United States by a person other than an authorized domestic or qualifying foreign issuer would be unlawful regardless of whether the issuer knew or should have known the recipient was located in the United States. Should Treasury adopt such an approach, narrowing or removing the reasonable-belief protection in proposed § 1523.2(c)?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	compliance_obligations, auditability.
Recommendation	Treasury should make the operative control the establishment of the required jurisdiction before issuance or the regulated transaction proceeds. The better implementation rule is neither blind strict liability nor a permissive reasonable-belief substitute: the system must establish the jurisdiction required by the governed function. If it cannot do so, the transaction fails. Evasion or false information remains independently enforceable.
Source Basis	The NPRM itself recognizes that strict factual-location liability may be overly strict where an issuer took reasonable steps and reasonably believed the recipient was outside the United States.

QUESTION 45

Question Number	**45**
Treasury Question	Should Treasury instead adopt a broader offshore-transaction framework, similar in concept to Regulation S, under which a foreign issuer would be deemed not to issue in the United States when the issuance occurs offshore and no directed selling efforts are made in the United States?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	jurisdiction_nexus_type, offshore_transaction_type.
Recommendation	Treasury should not replace the proposed party-location framework with a securities-derived offshore-transaction model. Payment stablecoins are pegged fiat payment instruments under this statutory regime, not securities, and their primary regulatory concern is lawful monetary issuance and financial integrity. Treasury may use offshore-transaction and directed-selling concepts as supplemental evidence or safe-harbor conditions for foreign issuers, but the core jurisdictional test should remain tied to issuer and recipient location.
Source Basis	The NPRM considers a Regulation S-like alternative based on offshore transactions and no directed selling efforts. MSRM-7 recommends retaining a monetary-instrument-specific framework.

QUESTION 46

Question Number	**46**
Treasury Question	Should any offshore transaction framework apply only to foreign payment stablecoin issuers? Should such a framework replace proposed § 1523.2(b) - (d), supplement proposed § 1523.2(b) - (d), or be structured as a safe harbor under § 1523.4?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	foreign_issuer_qualification, jurisdiction_nexus_type.
Recommendation	Any offshore framework should apply only where a genuinely foreign issuance is at issue and should be structured as a narrow safe harbor under § 1523.4, not as a replacement for § 1523.2(b) - (d). The primary rules should continue to establish who issued, where issuance occurred, and who participated. An offshore safe harbor can then provide predictable treatment for qualified foreign issuers that satisfy objective conditions without weakening Treasury's core monetary-integrity controls.
Source Basis	NPRM Q46 asks whether an offshore framework should replace, supplement, or operate as a safe harbor.

QUESTION 47

Question Number	**47**
Treasury Question	Should a foreign payment stablecoin issuer be unable to rely on offshore treatment if the issuer or any person acting on its behalf knows that the transaction has been prearranged with a person in the United States?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	anti_evasion_event_type, knowledge_standard.
Recommendation	Yes. Known prearrangement with a person in the United States should disqualify offshore treatment. Otherwise, the offshore framework could become a routing mechanism for deliberately placing newly issued payment stablecoins into the U.S. market while preserving only the appearance of foreign issuance.
Source Basis	NPRM Q47 directly asks whether known prearrangement with a U.S. person should defeat offshore treatment.

QUESTION 48

Question Number	**48**
Treasury Question	What conduct should Treasury identify as inconsistent with offshore treatment or as evidence of directed selling efforts in the United States? For example, should such conduct include advertising the payment stablecoin as available to persons in the United States, advising persons how to evade location-detection or restriction mechanisms, providing U.S.-directed liquidity incentives, supporting U.S.-facing wallet or platform integrations, or facilitating U.S. merchant acceptance?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	directed_selling_effort_type, solicitation_type, merchant_enablement_type.
Recommendation	Treasury should treat the listed conduct as evidence of U.S.-directed selling when it is purposefully directed toward creating U.S. demand or circulation. Advertising U.S. availability, evasion instructions, U.S.-specific liquidity incentives, U.S.-facing distribution integrations, and purposeful U.S. merchant enablement are strong examples. Ordinary globally available technical functionality should not become directed selling merely because a U.S. person can access it; intent, targeting, and operational configuration should matter.
Source Basis	NPRM Q48 lists these forms of U.S.-directed conduct as possible evidence of directed selling efforts.

QUESTION 49

Question Number	**49**
Treasury Question	What conduct should Treasury identify as ordinarily not constituting directed selling efforts standing alone? For example, should such conduct include legally required notices with no promotional content; factual communications to existing holders; processing conversion, redemption, or repurchase requests; ordinary custody or safekeeping; and ordinary technical support?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	non_promotional_communication_type.
Recommendation	Treasury should confirm that the listed activities ordinarily are not directed selling efforts standing alone. Required notices, factual holder communications, redemption processing, custody, safekeeping, and ordinary technical support generally administer an existing monetary relationship rather than solicit a new acquisition. This distinction is particularly important for payment stablecoins because redemption and custody are core monetary operations and should not be recharacterized as marketing merely because they serve U.S.-connected holders.
Source Basis	NPRM Q49 identifies required notices, holder communications, redemption, custody, and technical support as possible non-directed activities.

QUESTION 50

Question Number	**50**
Treasury Question	Are there additional concepts, conditions, limitations, interpretations, or exceptions from Regulation S or other areas of law that Treasury should consider incorporating into any offshore transaction framework for payment stablecoin issuance? For example, should Treasury consider a category structure, distribution compliance periods, offering restrictions, purchaser certifications, transfer restrictions, notice or platform-control requirements, special treatment for discretionary accounts or similar accounts held for the benefit or account of non-U.S. persons by others, such as fiduciaries, organizations, or affiliates? Should Treasury also incorporate anti-evasion principles, such as rules for transactions specifically targeted at identifiable groups of U.S. persons abroad, prearranged transactions with persons in the United States, or transactions that are formally offshore but part of a plan or scheme to evade section 3(a) of the Act (12 U.S.C. 5902(a))?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	anti_evasion_rules, purchaser_certification_type, transfer_restriction_type.
Recommendation	Treasury should incorporate anti-evasion principles and purchaser/location certifications where they materially support the offshore determination, but should not import Regulation S's securities-specific category structure or distribution compliance periods unless Treasury identifies a payment-stablecoin-specific integrity need. Pegged fiat payment stablecoins are designed for payment and monetary circulation; artificial holding periods or securities-style resale restrictions could conflict with their intended function without materially improving monetary integrity.
Source Basis	NPRM Q50 asks whether Treasury should import Regulation S concepts including compliance periods, purchaser certifications, transfer restrictions, platform controls, and anti-evasion rules.

QUESTION 51

Question Number	**51**
Treasury Question	Does Treasury's interpretation of the relationship between section 3(b)(1) and section 3(b)(2) reflect the best reading of the Act? In particular, does the phrase "make available" include activities not already covered by "offer" or "sell," and if so, what are specific examples of such activities? Is offering or selling "in the United States" meaningfully different from offering or selling "to a person in the United States"?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	market_activity_type, offer_type, sale_type, availability_type.
Recommendation	Treasury's interpretation is sound, but "make available" should retain independent operational meaning. It should capture conduct by a digital asset service provider that enables U.S. persons to acquire or access a payment stablecoin even where the provider does not directly solicit or execute the sale, such as enabling acquisition through a platform, distribution interface, or conversion facility. "To a person in the United States" identifies a recipient nexus; "in the United States" can be broader, but Treasury should define any additional U.S. nexus rather than leave it indeterminate.
Source Basis	NPRM explains that offer, sell, and make available may overlap but asks whether make available captures additional activity and whether the two U.S. formulations differ.

QUESTION 52

Question Number	**52**
Treasury Question	What due diligence should be required of a digital asset service provider in order for the digital asset service provider to be entitled to rely on the representation of a foreign payment stablecoin issuer that the foreign payment stablecoin issuer has the technological capability to comply, and will comply, with the terms of any lawful order and any reciprocal arrangement pursuant to section 18 of the Act (12 U.S.C. 5916)? Should the rule be more prescriptive about the form of the representation, such as requiring it to be in writing, contain certain language, or be updated with some frequency? Is the requirement to conduct reasonable due diligence clear and appropriate? Should the proposed rule be more prescriptive about the specific steps a digital asset service provider must take? For example, should the rule address certain public representations or advertisements made by foreign payment stablecoin issuers, such as that their payment stablecoins are resistant to freezing? Should the rule require digital asset service providers to retain records of the representation and due diligence, and if so, which records and for how long? For example, should a digital asset service provider be required to audit or examine smart contracts relating to a payment stablecoin? If so, should a digital asset service provider be required to verify the existence and/or efficacy of smart contract functions designed to comply with lawful orders, such as "seize," "freeze," and "burn" functions? Would such requirement effectively prevent digital asset service providers from offering, selling or otherwise making available payment stablecoins whose code is not fully open source?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	due_diligence_type, issuer_representation_type, capability_verification_type, record_retention.
Recommendation	Treasury should require a written, periodically refreshed issuer representation supported by reasonable due diligence and retained records. Due diligence should verify the issuer's authorization/qualification status, absence of a Treasury secondary-trading prohibition, and credible operational capability to execute applicable lawful orders. Treasury should not require every digital asset service provider to audit source code or smart contracts. The requirement should verify capability, not prescribe implementation technology. Evidence may include independent technical assurance, documented control testing, contractual commitments, regulator information, and demonstrated operational procedures. Claims that an instrument is intentionally resistant to lawful freezing or equivalent controls should be treated as material contrary evidence.
Source Basis	NPRM Q52 expressly asks about written representations, frequency, records, public anti-freeze claims, smart-contract review, and freeze/seize/burn functions.

QUESTION 53

Question Number	**53**
Treasury Question	Is the proposed "knows, has reason to know, or should know" standard appropriate and clear? Alternatively, should digital asset service providers be held to a more exacting standard - such as not having any reason to suspect that a foreign payment stablecoin issuer does not have the technological capability to comply, or will not comply, with the terms of any lawful order and any reciprocal arrangement pursuant to section 18 of the Act (12 U.S.C. 5916) - before being entitled to rely on the foreign payment stablecoin issuer's representation?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	lawful_order_controls, technology_control_requirements, auditability, role_function_compliance_assignment.
Recommendation	Treasury should require a clear, verifiable capability determination rather than an open-ended suspicion standard. A digital asset service provider should be able to rely on a foreign issuer only after the required issuer status and lawful-order capability have been established through the prescribed evidence. If the required capability status is not established or becomes invalid, reliance must stop. The rule should be auditable and role-specific.
Source Basis	NPRM Q53 contrasts the proposed knowledge standard with a more exacting reason-to-suspect standard.

QUESTION 54

Question Number	**54**
Treasury Question	Should the proposed due diligence requirements be different for lawful orders vs. reciprocal arrangements? For example, for reciprocal arrangements, should the requirements specify the extent to which the digital asset service provider should obtain and review the terms of any reciprocal arrangement with a jurisdiction that is the foreign payment stablecoin issuer's domicile?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	due_diligence_type, lawful_order_due_diligence, reciprocity_due_diligence.
Recommendation	Yes. The two obligations should share a common due-diligence framework but require different evidence. Lawful-order diligence should focus on the issuer's technical and operational capability and history of compliance. Reciprocity diligence should confirm that the relevant reciprocal arrangement exists, applies to the issuer and domicile, remains effective, and contains conditions material to U.S. treatment. A service provider should not be required to independently interpret every provision where Treasury or another competent authority can publish an authoritative reciprocity status.
Source Basis	NPRM Q54 asks whether lawful-order and reciprocal-arrangement diligence should differ.

QUESTION 55

Question Number	**55**
Treasury Question	Is there any difference in the obligations of digital asset service providers with respect to lawful orders or reciprocity agreements before or after July 18, 2028, or with respect to payment stablecoins issued by foreign payment stablecoin issuers in compliance with section 18(a) of the Act (12 U.S.C. 5916(a))?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	requirement_effective_date, foreign_issuer_qualification.
Recommendation	The applicable obligation should be determined by the statutory requirement and its effective date, not by an assumed permanent status of the issuer. Section 18(a) qualification should not eliminate continuing lawful-order or reciprocity obligations where the Act preserves them. Treasury should codify each requirement with an effective date and applicability condition so service providers can determine the governing rule at transaction time.
Source Basis	NPRM states that Treasury reads section 18(a) as preserving lawful-order and reciprocity obligations and Q55 asks about timing and issuer status.

QUESTION 56

Question Number	**56**
Treasury Question	Are the proposed examples of activities that, when conducted by a digital asset service provider, constitute the offer or sale of a payment stablecoin to a person located in the United States appropriate and clear?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	offer_type, sale_type, solicitation_type, contract_sale_type.
Recommendation	Yes. The examples are generally clear and appropriately focus on conduct that makes a payment stablecoin commercially available to a U.S. person: direct solicitation, U.S.-availability advertising, willingness to sell after an unsolicited inquiry, evasion assistance, and entering a sale contract. Treasury should preserve the distinction between commercial availability and ordinary servicing of an already-held stablecoin.
Source Basis	NPRM enumerates five examples and Q56 asks whether they are appropriate and clear.

QUESTION 57

Question Number	**57**
Treasury Question	What additional examples of activities that, when conducted by a digital asset service provider, constitute the offer or sale of a payment stablecoin to a person located in the United States should be provided?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	availability_type, distribution_type, conversion_access_type.
Recommendation	Treasury should add examples where a service provider knowingly configures a platform so U.S. persons can acquire an otherwise restricted payment stablecoin through an automated conversion route, intermediary account, embedded wallet, or product feature that is economically equivalent to direct availability. It should also cover knowingly routing an acquisition through an affiliate or intermediary to evade an applicable U.S. restriction. These examples address ordinary digital distribution mechanisms without importing cryptocurrency-specific promotional practices that are not intrinsic to pegged fiat payment stablecoins.
Source Basis	NPRM Q57 invites additional offer-or-sale examples.

QUESTION 58

Question Number	**58**
Treasury Question	Should the scenarios included in proposed § 1523.3(d) be an exhaustive list of violations of proposed § 1523.3(a) or proposed § 1523.3(b) rather than a non-exhaustive list of examples?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	rule_scope_type, anti_evasion_rules.
Recommendation	No. The list should remain non-exhaustive. Exhaustive examples would allow new distribution mechanisms to be engineered around the regulatory text. Treasury should instead define the controlling functional test and provide typed examples. This gives regulated parties operational clarity while preserving Treasury's ability to address equivalent conduct that performs the same market function.
Source Basis	NPRM Q58 asks whether §1523.3(d) should be exhaustive.

QUESTION 59

Question Number	**59**
Treasury Question	Is an airdrop of a payment stablecoin considered an offer, such as on the basis that the payment stablecoin is being made available for exchange, even in the absence of a sale for consideration? Or are such airdrops outside the scope of proposed § 1523.3?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	market_activity_type, offer_type, sale_type, offer_sale_exclusions.
Recommendation	Treasury should not treat 'airdrop' as an independent payment-stablecoin monetary lifecycle category. The term originates primarily from cryptocurrency and token distribution practices and can obscure the actual regulated event. Treasury should classify the underlying activity according to what financially occurs: an offer, gratuitous transfer, distribution, sale, or other Market Activity Type. If newly created payment-stablecoin supply is involved, the separate Issuance requirements governing MINT must already have been satisfied. The absence of consideration may distinguish a gratuitous distribution from a sale, but it does not eliminate the need to classify the actual Market activity or comply with any otherwise applicable rule. This approach avoids importing cryptocurrency terminology into a fungible payment-stablecoin framework when ordinary monetary transaction classifications are sufficient.
Source Basis	NPRM Q59 specifically asks about an "airdrop" of a payment stablecoin. MSRM-7 recommends translating the scenario into the actual monetary event rather than assuming cryptocurrency distribution terminology applies to pegged fiat payment stablecoins.

QUESTION 60

Question Number	**60**
Treasury Question	How should the use of payment stablecoins in traditional financial instruments and markets, including funds, implicate or not implicate the provisions governing offer or sale of payment stablecoins by digital asset service providers? For example, if a financial instrument pays dividends in the form of payment stablecoins, should the offer or sale of the underlying instrument be considered the offer or sale of a payment stablecoin? Should the answer depend on whether the dividend has already been declared at the time the underlying instrument is offered or sold? Regardless of the treatment of the offer or sale of the underlying instrument, should the payment of the dividend itself be considered an offer or sale of payment stablecoins?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	underlying_instrument_type, stablecoin_distribution_type, bundled_offer_indicator.
Recommendation	The offer or sale of a traditional financial instrument should not automatically become an offer or sale of a payment stablecoin merely because future cash distributions may be paid using an eligible payment stablecoin. The underlying investment and the payment instrument are distinct. A declared dividend payable in a specified stablecoin may create a separate stablecoin distribution obligation, but the characterization should depend on whether the stablecoin itself is being made available as part of the transaction. Payment of a dividend in an already-lawfully-issued stablecoin should ordinarily be treated as a payment/settlement event, not a new sale of the stablecoin.
Source Basis	NPRM Q60 asks whether use of payment stablecoins for dividends or other traditional-market payments should cause the underlying instrument or dividend payment to become an offer or sale of the stablecoin.

QUESTION 61

Question Number	**61**
Treasury Question	Is it clear how proposed § 1523.3 relates to participation in an issuance under proposed § 1523.2? In what scenarios would a digital asset service provider violate one, the other, or both?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Issuance**
MSRM-7 Specification	issuance_participation_type, qualifying_event_type.
Recommendation	Yes, but Treasury should make the functional boundary explicit. Section 1523.2 concerns participation in the creation or first distribution of newly issued payment stablecoins, while § 1523.3 concerns subsequent conduct by a digital asset service provider that offers, sells, or makes payment stablecoins available. A provider can violate § 1523.2 by materially participating in an impermissible issuance even without separately marketing the instrument; it can violate § 1523.3 by offering or selling an already-issued ineligible stablecoin; and it can violate both when it participates in an impermissible issuance and also distributes that issuance to U.S. persons.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 61.

QUESTION 62

Question Number	**62**
Treasury Question	What policies, procedures, or controls should support a reasonable belief that the acquiring person is outside the United States? Should Treasury identify specific controls, such as customer identification and due diligence, account-opening information, geographic access restrictions, device- or network-location checks, contractual representations, transaction monitoring, or other controls? Would this diligence take the form of self-attestations, IP address checking, identification document checking, or something else? Should the policies, procedures, and controls be reviewed and updated on a particular cadence?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Settlement**
MSRM-7 Specification	jurisdiction_precondition.
Recommendation	Treasury should prescribe the outcome, not a particular surveillance technology: the required jurisdiction must be ESTABLISHED before the transaction proceeds. Verified customer or organizational information, wallet registration information, account records, contractual nexus, and other authoritative records may establish jurisdiction. IP or device location may corroborate but does not substitute for the jurisdiction determination. UNKNOWN, UNRESOLVED, or CONFLICTING jurisdiction requires failure.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 62.

QUESTION 63

Question Number	**63**
Treasury Question	Are there other situations covered by proposed § 1523.3 for which Treasury should also not deem an offer or sale to a person located in the United States to have occurred in furtherance of the purposes of this Act? For example, should offers or sales resulting from certain types of reverse solicitations involving payment stablecoins issued by foreign payment stablecoin issuers not be deemed to violate the prohibition?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	reverse_solicitation_type, servicing_activity_type.
Recommendation	Treasury should recognize narrowly defined situations in which genuine reverse solicitation does not constitute prohibited solicitation by the service provider, but it should not create a broad exemption for completing a sale to a U.S. person when the statute independently prohibits that sale. The useful distinction is between the origin of the inquiry and the regulated act that follows. Treasury should also preserve exclusions for bona fide redemption, custody, technical support, and other servicing of existing holdings where no new acquisition is solicited or arranged.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 63.

QUESTION 64

Question Number	**64**
Treasury Question	Should Treasury adopt the first alternative described above, wherein an offer or sale is per se unlawful if any payment stablecoins are offered or sold to persons located in the United States, where knowledge and procedures are not relevant? Does this alternative reflect the better reading of the statute?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	compliance_obligations, auditability.
Recommendation	Treasury should require a determinable jurisdiction before the regulated offer or sale proceeds. Knowledge and procedures matter as evidence and governance controls, but they should not convert an unresolved jurisdiction into a permissible transaction. A transaction with a required jurisdiction status of UNKNOWN, UNRESOLVED, or CONFLICTING must fail. This creates a clearer integrity control than either strict liability based on instantaneous physical location or a reasonable-belief safe passage.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 64.

QUESTION 65

Question Number	**65**
Treasury Question	Should Treasury adopt an offshore transaction framework more similar to Regulation S, such as the approach described in the second alternative above, under which a digital asset service provider would be deemed not to offer or sell a payment stablecoin in the United States for purposes of section 3(b) of the Act (12 U.S.C. 5902(b)) if the offer or sale is made in an offshore transaction and no directed selling efforts are made in the United States by the digital asset service provider or any person acting on its behalf?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	offshore_transaction_type, directed_selling_effort_type.
Recommendation	Treasury may use Regulation S concepts as an analytical reference, but should create a payment-stablecoin-specific offshore framework rather than transplant securities regulation. A qualifying offshore transaction with no U.S.-directed selling can provide a useful safe harbor where the statutory conditions permit it. The framework should focus on actual jurisdictional nexus, issuer qualification, recipient location, and deliberate U.S. market targeting.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 65.

QUESTION 66

Question Number	**66**
Treasury Question	Should any offshore transaction framework apply only to payment stablecoins issued by foreign payment stablecoin issuers, only to offshore digital asset service providers, or only to some other subset of payment stablecoins or digital asset service providers? Should such a framework replace proposed § 1523.3(e), supplement proposed § 1523.3(e), or be structured as a safe harbor under § 1523.4?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	safe_harbor_type, eligibility_conditions.
Recommendation	The framework should be available only where the transaction is genuinely offshore and the stablecoin is legally eligible for the relevant cross-border activity. It should not turn solely on whether the issuer or service provider carries a 'foreign' label. Treasury should structure it as a supplemental safe harbor rather than replace § 1523.3(e), preserving the existing reasonable-belief pathway while providing a more explicit offshore pathway for qualifying transactions.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 66.

QUESTION 67

Question Number	**67**
Treasury Question	Should a digital asset service provider be unable to rely on offshore treatment if it or any person acting on its behalf knows that the transaction has been prearranged with a person in the United States?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	anti_evasion_event_type, knowledge_standard.
Recommendation	Yes. Known prearrangement with a U.S. person should defeat offshore treatment. A contrary rule would permit an intermediary or offshore execution step to transform a substantively U.S.-directed transaction into an offshore transaction by form alone.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 67.

QUESTION 68

Question Number	**68**
Treasury Question	What conduct should Treasury identify as inconsistent with offshore treatment or as evidence of directed selling efforts in the United States? For example, should such conduct include advertising the payment stablecoin as available to persons in the United States, advising persons how to evade location-detection or restriction mechanisms, providing U.S.-directed liquidity incentives, supporting U.S.-facing wallet or platform integrations, or facilitating U.S. merchant acceptance?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	directed_selling_effort_type, solicitation_type, merchant_enablement_type.
Recommendation	Treasury should treat the listed conduct as strong evidence of directed selling where it is intentionally configured to create U.S. acquisition or circulation: U.S.-availability advertising, circumvention instructions, U.S.-specific liquidity incentives, U.S.-facing acquisition integrations, and purposeful U.S. merchant enablement. Treasury should distinguish these activities from globally available infrastructure that has no U.S.-directed promotional or distribution purpose.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 68.

QUESTION 69

Question Number	**69**
Treasury Question	What conduct should Treasury identify as ordinarily not constituting directed selling efforts standing alone? For example, should such conduct include legally required notices with no promotional content; factual communications to existing holders; processing conversion, redemption, or repurchase requests; ordinary custody or safekeeping; and ordinary technical support?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Market**
MSRM-7 Specification	non_promotional_communication_type.
Recommendation	Treasury should confirm that the listed activities ordinarily do not constitute directed selling standing alone. Required notices, factual communications to existing holders, redemption or repurchase processing, custody, safekeeping, and ordinary technical support administer existing monetary relationships. They should become directed selling only when coupled with promotional, solicitation, or acquisition-enablement conduct.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 69.

QUESTION 70

Question Number	**70**
Treasury Question	Are there additional concepts, conditions, limitations, or exceptions from Regulation S or other areas of law that Treasury should consider incorporating into any offshore transaction framework for payment stablecoin offer and sale? For example, should Treasury consider a category structure, distribution compliance periods, offering restrictions, purchaser certifications, transfer restrictions, notice or platform-control requirements, special treatment for discretionary accounts or similar accounts held for the benefit or account of non-U.S. persons by others, such as fiduciaries, organizations or affiliates? Should Treasury also incorporate anti-evasion principles, such as rules for transactions specifically targeted at identifiable groups of U.S. persons abroad, prearranged transactions with persons in the United States, or transactions that are formally offshore but part of a plan or scheme to evade section 3(b) of the Act (12 U.S.C. 5902(b))?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	anti_evasion_rules, purchaser_certification_type, transfer_restriction_type.
Recommendation	Treasury should adopt payment-specific purchaser/location certifications, platform controls, and anti-evasion rules where they materially establish jurisdiction or prevent deliberate U.S. flow-through. It should avoid securities-specific distribution compliance periods, category structures, or default resale restrictions unless Treasury identifies a distinct stablecoin risk that requires them. Payment stablecoins are monetary instruments intended to circulate; restrictions should therefore correspond to a defined legal limitation rather than be imported merely because Regulation S uses them.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 70.

QUESTION 71

Question Number	**71**
Treasury Question	Should proposed § 1523.4(a) provide any additional guidance regarding the effect on section 3 of the Act (12 U.S.C. 5902) of any waivers granted by the Federal payment stablecoin regulators pursuant to section 5(f) of the Act (12 U.S.C. 5904(f))?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	waiver_status, waiver_scope, effective_period.
Recommendation	Yes. Treasury should require each waiver to identify the regulated entity, statutory provisions waived, permitted activities, effective date, expiration date, conditions, and revocation status. The NPRM emphasizes that section 5(f) waivers are temporary and apply to § 1523.2 or § 1523.3 only to the extent the regulator's waiver actually covers section 3(a) or 3(b). Making those attributes explicit would allow issuers and service providers to determine eligibility without inferring the scope of a regulator's order.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 71.

QUESTION 72

Question Number	**72**
Treasury Question	The prohibition on offers and sales in section 3(b)(1) of the Act (12 U.S.C. 5902(b)(1)) states that it is "except as provided in subsection (c)," but the text of subsection (c) itself only expressly references safe harbors from subsection (a). Is section 3(c) (12 U.S.C. 5902(c)) best read to authorize standalone safe harbors for offer and sale unrelated to an issuance of payment stablecoins? Or is it best read to only authorize safe harbors for offer and sale incidental to issuance?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	safe_harbor_scope_type.
Recommendation	The better reading for regulatory design is that section 3(c) should support offer-and-sale relief only to the extent authorized by the statutory cross-reference and connected to the purposes and limitations Congress imposed on the safe-harbor authority. Treasury should avoid using subsection (c) to create a broad independent exemption from section 3(b) that is disconnected from issuance. Where Treasury concludes that standalone offer/sale relief is legally authorized, the rule should state that conclusion expressly and narrowly define its scope rather than rely on implication.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 72.

QUESTION 73

Question Number	**73**
Treasury Question	Should Treasury issue any regulatory safe harbors under section 3(c)(1) of the Act (12 U.S.C. 5902(c)(1)) at this time? If so, how would Treasury determine that those safe harbors were limited to a de minimis volume of transactions? For example, should any safe harbors be time based, transaction size limited, or limited to particular industries or use cases? Should any safe harbors apply only to transactions in payment stablecoins issued by domestic issuers, foreign issuers, or both? What are the costs and benefits, including any incentive effects, of such safe harbors?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	de_minimis_safe_harbor_type, aggregate_volume_limit, expiration_event. Issuance
Recommendation	Treasury should use section 3(c)(1) sparingly and should not adopt a broad time-based grace period for all issuance, offers, or sales. Such a period could temporarily displace the statutory qualification framework at significant scale. If Treasury identifies a concrete implementation need, a de minimis safe harbor should be quantitatively capped on an aggregate basis, limited to a defined use case or transition problem, time-limited, non-renewing absent further rulemaking, and subject to anti-evasion aggregation across affiliates and related transactions. The cap should apply to the actual stablecoin transaction volume covered by the safe harbor, not merely to individual transaction size.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 73.

QUESTION 74

Question Number	**74**
Treasury Question	Should Treasury issue any regulatory safe harbors relating to, or otherwise address, State qualified payment stablecoin issuers that are licensed in a State before the State submits certification to the Stablecoin Certification Review Committee, while certification is pending, when certification or recertification is late, or when certification or recertification is denied? Would such safe harbors be consistent with the purposes of the Act, limited in scope, and apply only to a de minimis volume? Should issuance, offer, or sale become unlawful if the issuer does not obtain a Federal or other State license within a certain period?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Authority**
MSRM-7 Specification	state_license_status, certification_status, transition_status.
Recommendation	Treasury should distinguish an issuer's underlying State license from the State's federal certification status. A narrowly tailored transition rule may be appropriate where an issuer is validly State-licensed and the certification is timely pending through no fault of the issuer. Relief should not become an indefinite substitute for required certification or recertification, and denial should trigger a defined transition or cure process rather than open-ended operation. Treasury should avoid making a lawful State issuer's status turn unpredictably on administrative timing while still preserving the Act's federal comparability mechanism.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 74.

QUESTION 75

Question Number	**75**
Treasury Question	What effect, if any, will Treasury's interpretation of the prohibitions under section 3 (12 U.S.C. 5902) have on the ability of U.S. financial institutions to participate in cross-border payments or other bona fide foreign exchange transactions that include foreign-issued, foreign currency-denominated payment stablecoins? What changes could support this use case by U.S. financial institutions, while still preserving foreign jurisdiction and issuer interest in achieving comparability under Section 18 of the Act (12 U.S.C. 5916)?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Settlement**
MSRM-7 Specification	cross_border_payment_type, fx_transaction_type, settlement_eligibility.
Recommendation	Treasury should expressly preserve a workable pathway for U.S. financial institutions to use eligible foreign-issued, foreign-currency-denominated payment stablecoins in bona fide cross-border payment and foreign-exchange transactions. An interpretation that treats every institutional acquisition or transfer of such a stablecoin as prohibited U.S. offer/sale activity could impair precisely the cross-border monetary interoperability contemplated by section 18. The rule should distinguish a bona fide payment or FX settlement function from U.S. retail distribution. Access should remain conditioned on applicable issuer qualification, lawful-order capability, reciprocity/comparability, AML/sanctions requirements, and other governing law.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 75.

QUESTION 76

Question Number	**76**
Treasury Question	Should proposed § 1523.4(b) provide any additional guidance regarding the effect of any safe harbors adopted by the Secretary on section 3 of the Act (12 U.S.C. 5902)?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	safe_harbor_type, safe_harbor_scope, condition_type, termination_event_type.
Recommendation	Yes. Every safe harbor should be operationally explicit. Treasury should identify the granting authority, statutory basis, covered persons and activities, effective and expiration dates, conditions, transaction or volume limits where applicable, reporting obligations, and termination or revocation events. This prevents a safe harbor from being treated as a generalized exemption from the GENIUS Act.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 76.

QUESTION 77

Question Number	**77**
Treasury Question	Are the categories of transactions exempt from section 3 of the Act (12 U.S.C. 5902) pursuant to section 3(h)(1) (12 U.S.C. 5902(h)(1)) clear?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Settlement**
MSRM-7 Specification	transfer_type, self_transfer_type, custody_type.
Recommendation	The three statutory categories are understandable, but Treasury should clarify their functional boundaries. A direct person-to-person transfer, a transfer between accounts owned by the same individual, and self-custody are fundamentally transfer/custody activities rather than new monetary issuance. The decisive implementation facts should be ownership, intermediary involvement, transaction purpose, and whether a new issuance or regulated offer/sale is actually occurring.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 77.

QUESTION 78

Question Number	**78**
Treasury Question	Is the inclusion of interpretations useful?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	interpretation_type, interpretation_status, fact_pattern_type.
Recommendation	Yes. Interpretations are particularly useful because Part 1523 regulates functionally different events that can occur through similar technical actions. A transfer on a ledger may represent issuance, market distribution, settlement, redemption, or self-transfer depending on the facts. Interpretations can therefore materially improve regulatory precision when each example identifies the controlling facts and the applicable functional classification.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 78.

QUESTION 79

Question Number	**79**
Treasury Question	Should the interpretations be codified in Appendix A to Part 1523 as proposed, or should the interpretations be published in another location or format?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	interpretation_status, authoritative_source_type, version_identifier.
Recommendation	Treasury should codify the core interpretations in Appendix A where they establish durable boundaries of Part 1523. Supplemental examples can be published separately and updated more frequently. This creates a two-tier model: authoritative codified interpretations for foundational questions and non-codified supervisory guidance for evolving operational examples.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 79.

QUESTION 80

Question Number	**80**
Treasury Question	Should Treasury adopt other interpretations that illustrate the application of other aspects of proposed Part 1523, and if so, which aspects?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	governing_rule_set, enforcement_class/type, enforcement_scope, enforcement_consequence, exception_and_safe_harbor_controls.
Recommendation	Yes. Treasury should publish interpretations for the lifecycle and functional boundaries that most directly determine implementation: (1) proof of pegged funds secured -> MINT -> ACTIVE issuance; (2) fungible-balance treatment rather than artificial unit identity; (3) redemption/reacquisition as a transaction-state and supply-accounting event, not automatic reissuance; (4) post-issuance reserve deficiency as a Governance remediation/enforcement event that does not retroactively rewrite valid issuance; (5) independent Origination, Payment/Settlement, and Destination Currency roles; (6) redemption/conversion versus sale according to the actual transaction function; (7) fixed participant roles within each atomic transaction; (8) each subsequent wallet-to-wallet payment as a separate transaction; (9) FX jurisdiction determined using the applicable territorial jurisdiction together with currency code; (10) authorization changes governed through Enforcement Type, Scope, Applicable Object, and Consequence; and (11) safe harbor as a Governance-rule applicability determination that does not reclassify the underlying transaction.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 80.

QUESTION 81

Question Number	**81**
Treasury Question	Does the regulatory impact analysis use an appropriate baseline for evaluating the effects of the proposed rule? In particular, does the analysis appropriately distinguish between effects attributable to the GENIUS Act itself and effects attributable to the proposed rule?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	regulatory_cost_type, statutory_cost_type, baseline_type.
Recommendation	Treasury should preserve a strict separation between costs created by Congress in the GENIUS Act and incremental costs created by Treasury's implementation choices. The MSRM-7 framework can improve this baseline because each obligation can be assigned to a functional layer and tagged by legal source. Costs attributable to issuer eligibility, reserve requirements, or statutory prohibitions should not be attributed again to Part 1523 merely because the proposed rule operationalizes them.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 81.

QUESTION 82

Question Number	**82**
Treasury Question	What data, studies, or other information should Treasury consider to assess the costs and benefits of section 3 of the Act (12 U.S.C. 5902) as proposed in part 1523?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	cost_type, benefit_type, compliance_process_type.
Recommendation	Treasury should prioritize empirical operational data: issuer onboarding and authorization costs; reserve and redemption operations; DASP due-diligence costs; transaction-screening and jurisdiction-control costs; false-positive and rejected-transaction rates; cross-border payment costs and latency; depegging and issuer-failure losses; market concentration; switching costs; and costs of modifying existing compliance systems. Treasury should separately measure one-time implementation costs and recurring costs. Where possible, data should come from regulated issuers, banks, custodians, payment processors, digital asset service providers, and supervisory agencies rather than speculative industry forecasts.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 82.

QUESTION 83

Question Number	**83**
Treasury Question	What are the potential costs and benefits of the implementation of section 3 of the Act (12 U.S.C. 5902) as proposed in part 1523, beyond costs and benefits imposed by the Act itself? Are Treasury's estimates of costs and benefits appropriate? To what extent does Treasury have discretion within the boundaries of the Act to further reduce costs or increase benefits?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	incremental_cost_type, clarity_benefit_type, control_reuse_indicator. Authority/Issuance
Recommendation	The principal incremental costs arise from translating statutory prohibitions into operational controls, including location determinations, due diligence, documentation, system configuration, and transition activity. The principal incremental benefits are regulatory clarity, consistent treatment, stronger market integrity, reduced issuer and distribution ambiguity, and improved enforceability. Treasury can reduce costs without weakening the Act by defining reusable authoritative classifications and event types so institutions can incorporate the rule into existing KYC, authorization, transaction-monitoring, and ledger workflows instead of building parallel compliance processes.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 83.

QUESTION 84

Question Number	**84**
Treasury Question	Are the potential costs and benefits of the implementation of section 3 of the Act (12 U.S.C. 5902) as proposed in part 1523 sufficiently analyzed as distinct from the costs and benefits of other sections of the Act and associated current or expected regulatory proposals, such as the registration and prudential regulatory frameworks proposed by the primary Federal payment stablecoin regulators, FinCEN, and OFAC? To what extent should Treasury consider these costs and benefits or avoid double counting in its analysis of proposed part 1523?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	legal_source_type, cost_allocation_type, shared_control_type, incremental_cost_type.
Recommendation	Treasury should explicitly separate Part 1523 costs from prudential, registration, AML/CFT, sanctions, reserve, and other GENIUS Act requirements. Where the same operational control satisfies multiple regimes, Treasury should count only the incremental Part 1523 burden rather than the full control cost again. MSRM-7 provides a practical method: map each requirement to its legal source, functional layer, operational control, and incremental implementation burden.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 84.

QUESTION 85

Question Number	**85**
Treasury Question	How should Treasury evaluate the costs and benefits of the alternatives discussed in this proposal, including a per se location-based approach, an offshore-transaction framework modeled more closely on Regulation S, more or less prescriptive due diligence requirements, and additional safe harbors? Are there other alternatives that should be considered, and what are their respective costs and benefits?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	governing_rule_set, compliance_obligations, exception_and_safe_harbor_controls.
Recommendation	Treasury should evaluate the alternatives primarily by whether they produce a clear, enforceable, deterministic transaction rule. DCMA recommends a typed-jurisdiction model: the jurisdiction required for the governed function must be established before the transaction proceeds; UNKNOWN, UNRESOLVED, or CONFLICTING jurisdiction causes failure. This is stronger and clearer than allowing a reasonable-belief assumption to authorize an unresolved transaction, and more functionally appropriate for payment stablecoins than importing securities-law architecture wholesale. Any offshore or safe-harbor treatment should operate as a separate Governance rule after the underlying transaction and jurisdiction have been correctly classified.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 85.

QUESTION 86

Question Number	**86**
Treasury Question	What is the estimated impact on compliance efficiency, market participation, and demand for payment stablecoins due to clearer regulatory guidance?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	governing_rule_set, compliance_obligations. No MSRM-7 transactional specification is required for market demand.
Recommendation	Clear regulatory guidance should improve the ability of regulated participants to determine whether a transaction is compliant. Market demand, however, is not a transactional compliance variable and should not alter the rules applied to a payment stablecoin transaction. One transaction and one million transactions are subject to the same applicable regulatory requirements on a transaction-by-transaction basis. Treasury should therefore evaluate demand, if it chooses to do so for regulatory-impact purposes, separately from the transaction-compliance rules themselves.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 86.

QUESTION 87

Question Number	87
Treasury Question	Are there information collection burdens associated with the proposed rule that Treasury has not identified? If so, what entities would bear those burdens, and what would be the estimated time and cost associated with them?
Money Class	**Institutional Private Money**
MSRM-7 Layer	**Governance**
MSRM-7 Specification	role_function_compliance_assignment, recordkeeping_requirements, auditability, compliance_cost_allocation_rule.
Recommendation	Treasury should identify information-collection obligations by regulated role and function. Each participant should be responsible for creating or retaining the evidence required for the compliance functions assigned to that role. Treasury does not need to prescribe how private participants divide the economic cost of shared compliance work unless applicable law expressly regulates that cost or fee. The relevant regulatory question is whether every required function was performed and can be demonstrated, not how industry contractually allocates its implementation expense.
Source Basis	Treasury GENIUS Act Section 3 NPRM, Question 87.

Summary of Results

MSRM-7 Classification of Treasury's 87 Public Comment Questions

DCMA evaluated each of Treasury's 87 public comment questions against the MSRM-7 progressive monetary processing architecture. Each question was classified according to the single MSRM-7 layer that owns the primary monetary or regulatory determination required to resolve the question, rather than according to every layer that may participate in the underlying monetary operation.

All 87 questions were successfully classified within the existing seven-layer architecture. The assessment did not identify a Treasury question requiring the creation of an additional MSRM-7 layer. Where a question implicated multiple monetary functions, the issue could be resolved by identifying its primary functional owner while allowing other applicable layers to operate according to the MSRM-7 progressive processing model.

Primary MSRM-7 Layer Classification

MSRM-7 Layer	Questions	% of 87
Authority	20	23.0%
Governance	30	34.5%
Denomination	3	3.4%
Credit	0	0.0%
Issuance	12	13.8%
Market	14	16.1%
Settlement	8	9.2%
TOTAL	**87**	**100.0%**

The distribution reflects the subject matter of Treasury's present rulemaking rather than the relative architectural importance of the seven MSRM-7 layers. Governance and Authority account for **50 of the 87 questions (57.5%)**, demonstrating that a substantial majority of Treasury's inquiries concern the rules governing payment-stablecoin activity and the authority under which regulated actors and activities operate.

The absence of a Credit-primary question is also informative rather than problematic. The GENIUS Act payment-stablecoin framework does not presently establish the broader credit functionality implemented within the DCMS. Credit nevertheless remains a distinct MSRM-7 layer because the reference model abstracts the functional scope of a digital currency monetary system rather than limiting its architecture to the subject matter of a single statute or rulemaking.

Most importantly, the classification demonstrates that all 87 Treasury questions can be assigned to an existing MSRM-7 functional owner without expanding the seven-layer model. The results therefore provide a regulatory stress test of MSRM-7's functional boundaries and support its use as a reference architecture for separating monetary-system responsibilities while preserving a consistent progressive processing sequence:

Authority → Governance → Denomination → Credit → Issuance → Market → Settlement