May 7, 2026

U.S. Department of the Treasury
Attention: Office of the General Counsel
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RE: GENIUS Act State Similarity

Thank you for the opportunity to provide feedback to the Department of the Treasury in regard to the Notice of Proposed Rulemaking for the GENIUS Act Broad-Based Principles for Determining Whether a State-level Regulatory Regime Is Substantially Similar to the Federal Regulatory Framework.

XBRL US is a nonprofit data standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical specification for eXtensible Business Reporting Language (XBRL), which is a free and open data standard widely used around the world for reporting by public and private companies, as well as government agencies.

As a data standards organization, we support open, structured data standards to produce economies of scale and ensure good quality, transparent, and accessible data for market participants. To that end, we urge the Department of the Treasury to enhance this rule and future rules by requiring the application and ongoing disclosures by digital asset issuers to be prepared in structured, digital format using widely used, technology-neutral open data standards. This approach will generate useful, good quality, consistently prepared information enabling greater transparency, accessibility, and quality of data reported. It will align with regulatory reporting in the U.S. and globally and will set up the digital asset industry with a modern, efficient disclosure regime that will encourage growth and value. It also aligns with the recommendations made to other U.S. regulators that have authority over permitted payment stablecoin issuers (PPSI) per the GENIUS Act. Given the expectation that some State-level issuers may cross the $10 billion threshold and transition to federal jurisdiction, following the same structured data format in reporting will ease the path.

This letter was prepared by the XBRL US Digital Asset Working Group formed to explore the creation of a standardized digital framework for registration and ongoing disclosures for digital asset issuers. The working group provides general recommendations as well as responses to specific questions raised in the proposed rule.

Summary of Recommendations

- Require applications and ongoing disclosures to be prepared in digital, machine-readable format to produce economies of scale and generate better quality, more useful data for regulators and stablecoin holders, and keep costs low for all.

- Ensure that data collected about digital asset issuers is optimized for use with artificial intelligence.
- Require use of the LEI (Legal Entity Identifier, ISO 17442) for digital asset market participants for robust identification and tracking.
- Capture disclosure of mining and validation activities by issuers, their affiliates and third-party infrastructure service providers.
- Leverage existing digital data collection programs like the Securities and Exchange Commission (SEC) and Federal Deposit Insurance Corporation (FDIC) programs for financial reporting in machine-readable XBRL format to reduce regulatory cost.
- Harmonize with requirements being set through the Financial Data Transparency Act (FDTA) and with digital asset requirements set by other regulators to increase efficiency and produce interoperable data for better regulatory data management.
- Coordinate with non-US digital asset regulations to foster industry growth.
- Stand up a program that can scale, adapt to new applications, and use cases, and support evolving AI capabilities.
- Encourage standardization in the creation and deployment of digital assets. Regulators should develop standardized technical protocols for blockchain communication so that information between blockchains can flow freely and unambiguously.

Background on digital, standardized reporting

eXtensible Business Reporting Language (XBRL) is not a product or service. It is an open, freely available data standard that improves the transparency and accessibility of information by rendering it machine-readable. XBRL is technology-neutral as the standard itself represents the semantic data model and can be used with multiple technology formats, including XML, JSON, CSV, and XHTML. It is designed to adapt to technology changes over time. Millions of public and private companies, banks, governments, and utilities report in XBRL today to more than 130 regulators worldwide (see XBRL Project Directory). The XBRL standard accommodates numeric as well as text data.

In the United States, banks under the jurisdiction of the Federal Financial Institutions Examination Council (FFIEC) submit their financials in structured XBRL format each quarter (see the FFIEC Central Data Repository) and have been doing so for more than 20 years. Public companies and investment management companies submit their financials to the SEC each quarter in standardized XBRL format (see SEC page on Inline XBRL), a program in existence for 16 years. Five years ago, public utilities began submitting their annual financial forms data to the Federal Energy Regulatory Commission (FERC) in XBRL (see FERC eForms Refresh program page) and the FERC has recently published a final rule that requires the use of XBRL for FERC Electric Quarterly Reports.

The FDIC maintains the data standards (called an XBRL taxonomy) required in the FFIEC program which represents bank call reports, mandatory quarterly regulatory filings of detailed data on financial health. A taxonomy is a digital collection of terms and relationships that expresses the meaning (semantics) of data for a specific reporting domain. The Financial Accounting

Standards Board (FASB) maintains and develops the US GAAP Taxonomy which is used for public companies reporting financial statements to the SEC. These XBRL taxonomies are open and freely available and can be leveraged by digital asset issuers to electronically prepare their financial data.

Regulators worldwide (see XBRL project directory) have opted to require data collection using the same open data standard, because data produced in adherence to the XBRL semantic data model is fully machine-readable and machine-*understandable*.

Evolving to meet changing needs

XBRL was developed by U.S. accountants seeking to make financial data more timely, standardized, and computer ready. Before the advent of XBRL, corporate financials were provided to regulators as electronically delivered text or HTML files which the regulator then posted in their entirety. Financial data files in text, HTML, or PDF are text-searchable but cannot be reliably interpreted without manual review. Machine-learning tools can translate some information from text or HTML-based financial statements but not consistently or with a degree of certainty high enough to be used for financial analysis. AI tools are increasingly more and more sophisticated, but they need context to gauge the meaning of data accurately.

The contextual nature of structured, standardized data makes it a richer, more reliable source for artificial intelligence platforms. The ability to use artificial intelligence on applications from Permitted Payment Stablecoin Issuers (PPSI) would expedite the regulatory evaluation process. AI tools can improve the ability of stablecoin holders to quickly identify risk factors, financials, and other information for investment decision-making. A recent academic study[1] found that error rates were significantly higher when extracting data from HTML and text files of SEC financial data, versus extracting data from XBRL-prepared SEC financial filings.

Additionally, the XBRL technical specification is undergoing an enhancement (set to be complete and ready for use by Fall 2026) that will make data produced using the standard further optimized for AI use. This work has been ongoing for the past several years given the promise of machine-learning; it involves streamlining the XBRL semantic data model to make it cleaner, more predictable, and easier to interpret by machines.

AI-ready business data opens up a world of possibilities for regulators, stablecoin holders, and analysts. The SEC Director at the Division of Investment Management noted in a Feb 3, 2026 speech, "*Today, a direct-sold mutual fund adviser communicates with retail investors through a massive prospectus, filled with risk factors, financials, biographical data, and investment process descriptions. …imagine the retail investor interacting, not with a 200-page document, but with a fund- or adviser-provided AI agent… trained on the library of fund documents and then answer…*

[1] Universidad Adolfo Ibanez, University of Massachusetts Lowell - The Robert J. Manning School of Business; Suffolk University - Department of Accounting; and Sawyer Business School - Suffolk University: Can AI be trusted with financial data? July 2025: https://www.xbrl.org/the-standard/why/xbrl-project-directory/

questions like: What do you invest in? What fees will I pay? How do I redeem my shares? Do you hold short positions? And what is a short position, anyway? Do you have conflicts of interest? What benchmarks do you think are useful performance comparisons? Can you generate some comparison charts?

This kind of tool could be a tremendous bridge between investors and the disclosures that all too often are misunderstood or – even worse – go unread."

Data generated following the same semantic data model is interoperable which means that data prepared by one regulator can be shared, inventoried, and commingled with data prepared by a different regulator collecting data from different entities. It is a logical step to ensure that data collected about digital asset issuers by all regulators is digitally prepared in structured, standardized format.

Coordinate disclosure with other programs

The Treasury rule proposal seeks to set certain uniform standards such as requirements for reserves, anti-money laundering and sanctions programs across State and Federal regulators while giving States the latitude to establish their own "State-calibrated requirements."

Treasury can help States establish programs that are similar but not identical to federal programs by requiring them to follow the same semantic data model (data standard) when preparing their applications and ongoing disclosures. Adhering to a single semantic data model will ensure that data reported is interoperable across all entities which will give regulators and stablecoin holders better insights as they can reliably compare offerings. States can require the same data to be reported but set different minimum or maximum criteria; they can require issuers to report different data than what is required at a federal level.

As long as all information is reported following the same data model, it can be easily collected, comingled and compared. Standards, broadly implemented, produce economies of scale that maximize efficiency, reduce reporting burden and cost, and simultaneously produce good quality, accessible data.

Adopting the same semantic data model does not require close coordination (which can add bureaucracy and cost) between States and Federal regulators. States can leverage a taxonomy maintained by a federal regulator and add additional terms they wish to collect, for example, other financial criteria that are not in scope at a federal level. As long as the underlying semantic data model is the same, data reported, regardless of collecting regulator, will be interoperable. Furthermore, state and federal agencies will be able to leverage the same tools and applications if they are following the same data model, thus recognizing economies of scale that push down costs. This reduces bureaucracy, streamlines processing, and lowers the cost of government data collection and analysis.

Second, harmonize efforts with the FDTA rollout. FDTA legislation passed in December 2022 and is expected to be implemented within the next few years. It impacts on several of the same

agencies tasked with regulating digital assets (FDIC, NCUA, OCC, CFTC, SEC). Standards adopted to support the FDTA should be aligned with future digital asset reporting to maximize efficiencies across federal and state regulators and data consumers.

Last, global regulators are also adopting regulatory frameworks for digital assets. According to the Visa Economic Power Institute, a review of recently enacted stablecoin legislation in the U.S., the European Union, the United Arab Emirates, and Hong Kong, highlights commonalities across areas such as reserve asset requirements and rules prohibiting the payment of interest from the issuer to the stablecoin holder. As part of its Markets in Crypto Assets Regulation (MiCA), the European Securities Markets Authority (ESMA) has developed an XBRL Taxonomy to capture information needed for crypto issuers. While U.S. requirements will doubtless differ to some extent, the global nature of the financial markets is important to consider. Further harmonization across these regulatory programs would streamline the process for issuers and for stablecoin holders.

Require use of the Legal Entity Identifier

State requirements should specify that PPSI applications report with a LEI to allow Treasury and the State to identify, regulate, and track newly licensed subsidiaries, which is provided through an LEI.

Use of the LEI would ensure the unique identification of the permitted payment stablecoin issuer. The LEI is a minimal, globally standardized disclosure requirement that directly supports Treasury's ability to identify, monitor, and supervise permitted payment stablecoin issuers and assess their place within broader financial networks. The LEI is not a substantive operational requirement and does not impose conditions beyond those an operationally ready financial entity would already satisfy or could satisfy at de minimis cost.

Furthermore, as states and federal payment stablecoin regulators contemplate the issuance of proposed rules for entities under their supervision to become PPSIs, the LEI can function as a linchpin, which will enable efficient sharing of information across regulators.

Require Technology and Blockchain Infrastructure Reporting

State-level stablecoin issuers should be required to report mining and validation activities ("Blockchain Network Participation" or "BNP" activities)[2]. We believe that BNP activities represent a new category of material information[3] that other PPSIs, application developers and the general public will rely on when making investment, deployment, and utility decisions about the use of open public blockchains. The safety and soundness of blockchain infrastructure can impact

[2] El Imami, I., Oh, J., Meyers, J., Brennan, G., Vasarhelyi, M., Sannella, A., Egan, T., "Beyond the Fiat Vault" Continuous Audit and Reporting Lab at Rutgers Business School, (April 24, 2026), available at https://raw.rutgers.edu/bnp-disclosure-taxonomy.

[3] TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438, 449 (1976) (Marshall, J.) (information is material if there is "a substantial likelihood that a reasonable [investor] would consider it important in deciding how to [act]")

redemption even if reserves are adequate[4]. State regulators should require PPSIs, their affiliates and third-party unaffiliated blockchain infrastructure providers to report detailed initial and monthly ongoing disclosure about BNP activities in a machine-readable and provable manner using the BNP taxonomy elements, such as those described in a submission made by Auditchain Labs to the FDIC[5] and OCC[6].

When PPSIs or their affiliates participate in BNP activities on the same blockchain networks as the public, MEV risk mitigation systems and methods can be implemented as a defense against attacks and as a measure that promotes the safety and soundness of both Stablecoin operations and the public.

Where PPSIs function as a consortium, they have the ability to leverage BNP activities to their own advantage at the expense of the public, other supervised issuers, and other digital assets.

Additionally, if PPSIs and their affiliates are **not** engaged in BNP activities, PPSIs, their affiliates and their Stablecoin users are more vulnerable to various attack risks by malicious actors engaged in BNP activities.

In all cases, the following are risks that include, but are not limited to:

- Transaction prioritization: BNP participants can prioritize their own Stablecoin's transactions, including redemptions, over competitors' transactions and public users

- Fee manipulation: BNP participants can influence gas fees or transaction costs that directly impact Stablecoin operations and public users

- Consensus influence: Significant hash power or value at stake gives disproportionate influence over protocol changes, hard forks, or network governance decisions that may affect Stablecoin functionality and the functionality of other assets held by the public

- Front-running opportunities: BNP activities enable visibility into pending transactions before public confirmation which can extract value and place the Applicant and the public at a significant disadvantage

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[4] Aronoff, D.J., Calabia, F.C., Brownworth, A., Samuel, A., & Narula, N., The Hidden Plumbing of Stablecoins: Financial and Technological Risks in the GENIUS Act Era, MIT Digital Currency Initiative (Feb. 4, 2026), available at https://www.dci.mit.edu/projects/hidden-plumbing-stablecoins

[5] Auditchain Labs AG Supplemental Comment — Proposed Application Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Insured Depository Institutions RIN 3064-AG20, available at https://www.fdic.gov/federal-register-publications/supplemental-comment-auditchain-labs-ag-jason-meyers-rin-3064-ag20

[6] Comment Letter on Proposed Rulemaking: Auditchain Labs AG Disclosure Framework for Stablecoin Issuers Under the GENIUS Act" Docket OCC-2025-0372 https://www.regulations.gov/comment/OCC-2025-0372-0122

This requirement is in the interest of safety and stability and provides material information that enables the public to make informed investment and utility decisions on the use of certain public blockchains if conflicts of interest exist.

Below are responses to specific questions raised in the proposal.

Responses to questions

On distinctions between state and federal requirements

Question 8: What, if any, other Federal laws that apply to State qualified payment stablecoin issuers should Treasury consider with respect to the substantial similarity analysis?

We recommend requiring State qualified payment stablecoin issuers to prepare their application and disclosures in the same structured, machine-readable format as issuers that report to federal regulators. In our comment letters submitted to the FDIC, the OCC, and the NCUA, we urged regulators to require payment stablecoin issuers to prepare their applications and disclosures in machine-readable digital format to produce economies of scale, generate data that can be automatically validated, extracted and analyzed, and to enable easy comparison and transparency across all stablecoin issuers, regardless of regulatory authority. By requiring State qualified payment stablecoin issuers to adhere to the same structured data standard, Treasury will ensure that data reported by all stablecoin issuers can be automatically consumed and analyzed, is interoperable regardless of regulator, and the data collection process will produce economies of scale to ensure the lowest possible cost for issuers, stablecoin holders and other data users. This approach also gives State qualified issuers an easier on ramp for those that choose to transition to federal regulatory oversight when their outstanding stablecoin issuance crosses the $10 billion threshold.

Question 19: With respect to sections of the Act beyond section 4(a) (12 U.S.C. 5903(a)), are the standards required for being substantially similar appropriately scoped and clear? Are the standards set forth related to sections 4(d), 5, and 6 (12 U.S.C. 5903(d), 5904, and 5905) sufficiently clear? If not, how could they be clarified? Similarly, are the standards related to sections 10 and 11 of the Act (12 U.S.C. 5909–5911) sufficiently clear?

We encourage establishing requirements for data reported in applications and disclosures by leveraging the same semantic data model (taxonomy) required for use by federal regulators of payment stablecoin issuers as explained in our comment letters to the FDIC, the NCUA and the OCC. Leveraging the same semantic data model, which is a digital expression of the data required to be reported, will ensure consistency and comparability across agencies, both federal and state. This approach will ensure unambiguous clarity in what needs to be reported. It will also reduce the cost of data collection, extraction, and analysis, and produce economies of scale to reduce costs across regulators, data consumers, and issuers. State-level issuers that cross the $10 billion threshold of consolidated total outstanding payment stablecoins issuance will be able to transition

easily to federal oversight as they will already be reporting the same information in the same manner to state regulators.

On deviations from the federal regulatory framework

Question 21: Are there any areas in which the State-level regulatory regime should be required to match the Federal regulatory framework in terms of form or procedure? For example, should the State-level regulatory regime require the monthly composition report of an issuer's reserves in the same format (e.g., including the same required fields) as the OCC or another primary Federal payment stablecoin regulator? Would there be benefits of uniform data reporting standards under Federal and State regulatory requirements?

State regulations should adhere to the same reporting structure and format as federal regulations even if the data required to be reported varies between state and federal regulations. Both state and federal regulators can follow the same semantic data model by using an XBRL taxonomy which digitally expresses the data needed to be reported.

State regulations may have different reserve and/or capital requirements but the definitions of the data, for example Cash and Cash Equivalents or Bitcoin, are likely to be the same. State regulations may require different line items to be reported but as long as the semantic structure of what is reported is the same across reporting entities, data can be captured in the same data structure and analyzed using the same tools. As noted by Treasury in its proposal, "*While States have discretion to set their own capital rules, for the purpose of substantial similarity, the definition of the eligible capital elements and the quality of those elements should be uniform to ensure comparability between the State-level regulatory regime and the Federal regulatory framework.*"

Maintaining and using the same concrete definitions and relationships, embodied in an XBRL taxonomy, eliminates confusion among issuers in preparing data, and among consumers, extracting and analyzing data from multiple issuers. With the expected roll-out of the FDTA, which will be required to be implemented by GENIUS Act regulators including the SEC, the OCC, CFTC, NCUA, and FDIC, it is even more critical that all regulators, state and federal, adhere to the same semantic data model.

The taxonomy should also incorporate the BNP elements discussed in the previous section and technical information about the Blockchain itself as well as narrative information such as redemption policy. Consistency across reporting for federal and state issuances is critical to maintain transparency and the smooth flow of data.

Question 47: Should the States be able to devise their own liquidity, reserve asset diversification, and interest rate risk management standards that are not tied to the OCC's rules for these provisions?

While the Department of the Treasury may allow states to set their own requirements, the underlying definitions for reported information should be the same across federal and state jurisdictions. This can be most effectively accomplished through the use of an XBRL taxonomy

which consistently expresses data by establishing labels, definitions, data types, period types, balance type when appropriate, authoritative references, and relationships between data reported. The unequivocal nature of a taxonomy or ontology ensures that all parties are communicating consistently while allowing for variation where state minimum requirements or criteria differ from federal.

On transition to federal

Question 54: For depository institutions, should part 1521 reference regulations promulgated by primary Federal payment stablecoin regulators other than the OCC? For example, should the Federal regulatory framework include regulations of other primary Federal payment stablecoin regulators for purposes of section 4(d) of the Act (12 U.S.C. 5903(d))?

If all issuers, regardless of regulatory authority, adhere to the same semantic data model, information reported will be fully interoperable. This approach does not require all federal and state regulators to collaborate by sharing datasets or data collection frameworks. Coordinating efforts across agencies can be cumbersome, time-consuming, and bureaucratic and are not necessary as long as regulators follow the same semantic data model approach using open standards like XBRL and the LEI.

Question 57: Is it appropriate to measure substantial similarity of a State-level regulatory regime by focusing on the transparency, fairness, and viability of the application process, as opposed to the content of the application or evaluation factors, or other aspects of the State-level regulatory regime? Should the State-level regulatory regime instead be required to adopt some or all of the factors set out in Section 5(c) of the Act (12 U.S.C. 5904(c))?

We believe that "substantial similarity," by definition, calls for considering the same information for state-level issuers as for those under federal jurisdiction. While state thresholds for amounts may differ, given the lower threshold of consolidated total outstanding payment stablecoin issuance (under $10 billion), the same factors should be considered as for those under federal jurisdiction. Furthermore, focusing on the same metrics, and producing data in structured, machine-readable, digital format, will ensure transparency and fairness in the application process as information about the issuers will be easily accessible, timelier, and easier for comparison purposes.

Question 58: How, if at all, should substantial similarity consider the resources, capacity to evaluate applications, or past practices of a State payment stablecoin regulator? How, if at all, should part 1521 address a State where licenses are routinely denied or delayed, or conversely, routinely approved as a matter of course without appropriate review?

Data reported to State payment stablecoin regulators in machine-readable format, can be easily collected and used by State regulators, and can be tracked and monitored more easily by federal regulators tasked with reviewing state programs. If data is not collected and made available in digital, automated format, the ability to process and monitor is significantly impaired and will result

in less robust and rigorous monitoring. This in turn could lead to fraud and abuse which would be difficult to quickly identify and resolve.

Question 62: Are there timeframes, procedures, or reporting in the Federal regulatory framework related to supervision and enforcement that State-level regulatory regimes should be required to implement to be considered substantially similar to the Federal regulatory framework? For example, should a State-level regulatory regime be required to examine State qualified payment stablecoin issuers at the same intervals as in the OCC's rule?

State regulators should adhere to the same rigor in the monitoring and tracking of the stablecoin issuances under their jurisdiction, which can be cost-effectively managed by implementing a standardized data program to automate the process.

XBRL US appreciates the opportunity to provide feedback on this proposal and remains at the disposal of the U.S. Department of the Treasury to further discuss and support your work. We note that significant industry infrastructure already exists to support XBRL-based disclosure preparation and consumption, including disclosure solutions from established financial technology providers that could readily accommodate stablecoin reporting requirements. Do not hesitate to engage us in your discussions and questions related to standards. I can be reached at Campbell.Pryde@xbrl.us or (917) 582-6159.

Sincerely,

Campbell Pryde
President and CEO, XBRL US