

FDIC Proposal Takes Bank-Like AML Approach To Stablecoins

By **David Zaslowsky** (June 24, 2026)

The Federal Deposit Insurance Corp. recently took a significant step toward implementing the Guiding and Establishing National Innovation for U.S. Stablecoins, or Genius, Act, by releasing a notice of proposed rulemaking, or NPRM, that would establish a comprehensive Bank Secrecy Act and sanctions compliance framework for certain stablecoin issuers.

Enacted on July 18, 2025, the Genius Act creates a federal framework governing the issuance of payment stablecoins.

At its core, the statute designates permitted payment stablecoin issuers as financial institutions for purposes of the BSA and assigns primary prudential oversight to federal banking regulators, including the FDIC, Office of the Comptroller of the Currency and the Federal Reserve.



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In doing so, the legislation does more than clarify the regulatory status of payment stablecoins: It firmly anchors stablecoins within the U.S. financial regulatory perimeter by statutorily designating issuers as BSA financial institutions and subjecting them to bank-level supervision, examination and enforcement.

The FDIC's May 22 NPRM represents the financial crime compliance pillar of this emerging regime. It follows earlier agency proposals, from December 2025 and April 2026, respectively, addressing application procedures and prudential requirements such as reserve management, liquidity risk and operational controls.[1]

Taken together, these rulemakings reflect a coordinated effort by federal regulators to operationalize the Genius Act.

The sequencing is also instructive: Before authorizing entry into the regime and defining capital and reserve expectations, the agencies are moving to ensure that stablecoin issuers are embedded within the U.S. financial crime prevention framework.

Under the NPRM, FDIC-supervised permitted payment stablecoin issuers — primarily subsidiaries of insured state nonmember banks and state savings associations authorized to issue stablecoins — would be required to implement robust, risk-based compliance programs.

These programs would encompass core BSA and anti-money laundering, or AML, obligations applicable to financial institutions, including customer identification and due diligence and reporting requirements.

The proposal also incorporates countering the financing of terrorism measures and mandates compliance with economic sanctions administered by the Office of Foreign Assets Control, together with U.S. Department of the Treasury regulations enforced by the Financial Crimes Enforcement Network.

Importantly, the NPRM does not attempt to craft a bespoke or light-touch regime tailored specifically to stablecoin technology. Instead, it adopts what might be characterized as a

technology-neutral approach to financial crime compliance.

Stablecoin issuers, once brought within the definition of financial institutions, are expected to meet essentially the same baseline obligations as banks and other regulated entities.

This approach reduces regulatory fragmentation but also underscores a central premise of the Genius Act: that innovation in payment mechanisms does not justify a departure from established safeguards against illicit finance.

At the same time, although the NPRM does not prescribe technology-specific controls, it operates against the backdrop of well-documented regulatory concerns regarding the distinct operational and risk characteristics of blockchain-based activity.

In that context, compliance programs are likely to be calibrated to reflect the characteristics of digital asset markets, including the near-instantaneous settlement of transactions, the potential for pseudonymity in wallet-based systems, the use of intermediaries such as custodians and exchanges, and the global, borderless nature of token transfers.

In practice, this calibration may translate into areas of enhanced focus, as reflected in FinCEN and OFAC guidance and enforcement practice.

First, customer due diligence and know-your-customer procedures may need to account for the points at which users enter and exit the stablecoin ecosystem, particularly at issuance and redemption.

Second, transaction monitoring systems may need to operate on a more continuous or near-real-time basis, given the speed at which blockchain transactions occur.

Third, the use of blockchain analytics tools to identify patterns of suspicious activity — such as wallet clustering, transaction tracing and exposure to sanctioned addresses — may become an expected component of a reasonably designed compliance program.

Finally, sanctions compliance may require particular attention to wallet screening and the identification of indirect exposure to designated persons or jurisdictions.

The supervisory implications of the NPRM are equally significant. By formalizing FDIC examination and enforcement authority over permitted payment stablecoin issuer compliance programs, the proposal creates a supervisory environment that closely resembles that which is applicable to traditional banking institutions.

Routine examinations, horizontal reviews across firms and the possibility of enforcement actions — including civil money penalties and remediation requirements — could become defining features of the stablecoin regulatory landscape.

Moreover, given the shared jurisdiction of the FDIC, OCC, Fed and FinCEN, interagency coordination is likely to play a central role, increasing both the consistency and the intensity of oversight.

From a litigation and enforcement perspective, the convergence of stablecoin regulation with bank-style BSA/AML obligations may also reshape the risk profile for market participants.

The incorporation of stablecoin issuers into the BSA framework introduces potential

exposure not only to regulatory enforcement, but also to follow-on civil litigation, including shareholder actions, contractual disputes and, potentially, claims arising from alleged deficiencies in compliance programs.

In addition, the existence of defined regulatory standards may provide a clearer benchmark against which conduct is assessed, both by regulators and by private litigants.

For market participants, the direction of travel is clear. Stablecoin issuance within the U.S. is likely to require substantial and sustained investment in compliance infrastructure. This includes not only transaction monitoring systems and sanctions screening tools, but also governance frameworks, internal audit functions, and personnel with expertise in both financial crime compliance and digital asset technologies.

Entities that have historically operated outside the banking sector — or under less stringent regulatory regimes — may face a meaningful transition as they adapt to these expectations.

The May 22 NPRM was officially published in the Federal Register on June 5, triggering the 60-day public comment period.[2]

This will provide an important opportunity for industry participants, trade associations and other stakeholders to shape the final contours of the rule.

Areas that may attract particular attention include the degree of flexibility afforded to permitted payment stablecoin issuers in designing risk-based programs, the treatment of intermediated versus direct customer relationships, and the extent to which regulators provide additional guidance on the use of blockchain analytics and other emerging compliance tools.

Conclusion

Ultimately, the FDIC's proposal underscores a broader regulatory trajectory: the normalization of stablecoins within the U.S. financial system through the application of existing legal frameworks.

Rather than creating a parallel regulatory track, the Genius Act and its implementing rulemakings seek to fold stablecoin activity into the established structures of banking law and financial crime compliance.

The FDIC's NPRM would subject bank-affiliated stablecoin issuers to comprehensive BSA/AML and sanctions compliance obligations, firmly anchoring stablecoins within the U.S. financial regulatory grid.

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[1] <https://www.fdic.gov/board/federal-register-notice-approval-requirements-issuance-payment-stablecoins-subsidiaries-fdic>; <https://www.fdic.gov/board/federal-register-notice->

genius-act-requirements-and-standards-fdic-supervised-permitted.

[2] <https://www.federalregister.gov/documents/2026/06/05/2026-11342/bank-secrecy-act-and-sanctions-compliance-standards-for-fdic-supervised-permitted-payment-stablecoin>.