

CSBS Testimony on Maryland Stablecoin Act

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My name is Yevgeny Shrago, Senior Director for Regulatory Policy at the Conference of State Bank Supervisors. I appreciate the opportunity to testify today on SB 662, the Maryland Stablecoin Act. CSBS supports state regulators in advancing the system of state financial supervision.

State regulatory regimes have fostered important digital assets innovations for more than a decade, sparking market competition, product development, and experimentation, all while helping protect consumers.

When Congress passed the GENIUS Act to create a nationwide framework for regulating payment stablecoins, it created a regime that recognized this history and respected the role of the states.

This bill, if passed, would be among the first pieces of state legislation to establish a state regulatory framework for approving and regulating payment stablecoin issuers since the GENIUS Act was passed.

State payment stablecoin regulators must seek certification from Treasury that their state-level regime is “substantially similar” to the Federal regulatory framework. CSBS interprets this provision to mean that state’s requirements meet or exceed the requirements set forth in Section 4(a) of the GENIUS Act, and we have encouraged the United States Treasury Department to adopt this interpretation in its forthcoming implementing regulations.

We believe the Maryland Stablecoin Act would meet the certification criteria by granting the Commissioner the authority to adopt regulations that facilitate certification of the Office as a state payment stablecoin regulator. Such regulations would include capital, liquidity, and risk management requirements, redemption policies, specific guidelines for authorizing incidental or digital asset service provider activities, and prohibitions on paying interest or yield. Any consumer protection laws or rules applicable to Maryland-licensed issuers would also apply to other state- and federally-licensed issuers operating in Maryland.

CSBS stands ready to continue advocating on behalf of the state system and supporting states in their development of state-level regulatory regimes that preserve safety and soundness and consumer protection while advancing responsible innovation. Thank you for your time.