



# News Release

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## **FedMSB Submits Formal Policy Position on GENIUS Act Urges Recognition of Stablecoin Issuers as MSBs**

**Manhattan, NYC | June 17, 2025** — The Federal Money Services Business Association (FedMSB) has officially submitted its policy position on the GENIUS Act (S.1582), a landmark federal bill that proposes to establish a national licensing regime for payment stablecoins. The policy paper was transmitted today to members of the House Financial Services Committee, emphasizing the critical importance of preserving the existing regulatory treatment of non-bank stablecoin issuers as Money Services Businesses (MSBs) under both federal and state law.

In its submission, FedMSB underscores that payment stablecoin issuance—when performed by non-bank entities—constitutes a regulated money transmission activity and therefore must remain subject to the MSB framework under FinCEN and state licensing regimes. The position paper outlines four essential clarifications to ensure anti-money laundering (AML) continuity, avoid overlapping or conflicting oversight, and safeguard a level playing field for lawful innovation in digital finance.

*“As the GENIUS Act advances through Congress, it is essential that the new regime acknowledges that non-bank stablecoin issuance is already*



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*a covered function under MSB law,” said Mr. Young, President of FedMSB.*

*“We welcome modernization, but not at the cost of dismantling the robust federal–state system that has safeguarded consumers and ensured AML compliance for decades.”*

The position paper raises concerns over regulatory over-centralization, the risk of politicized licensing pathways, and the erosion of dual oversight if MSB treatment is omitted or preempted. It calls on lawmakers to codify FinCEN’s primary AML authority and explicitly preserve state-issued Money Transmitter Licenses (MTLs) as valid authorizations for stablecoin-related operations.

FedMSB will continue its direct engagement with congressional offices, federal agencies, and state-level regulators to ensure that the GENIUS Act reinforces—rather than replaces—the existing MSB foundation that underpins much of the digital payments sector.

For a copy of the policy paper or to request a briefing, please contact: [media@fedmsb.org](mailto:media@fedmsb.org)

## About FedMSB

FedMSB is a nonprofit trade association dedicated to advancing the next-generation MSB 2.0 architecture. As a 501(c)(6) standard-setter and strategic convener, FedMSB supports the development of regulatory frameworks, technical infrastructure, and collaborative ecosystems to elevate trust, transparency, and innovation across the MSB industry.