

GENIUS Act – A Defining Moment for U.S. Payments Innovation

GENIUS Act establishes clear regulatory pathway for U.S. stablecoin issuers, positioning America as global leader in digital payment innovation.

NEW YORK, NY, UNITED STATES, August 22, 2025 /EINPresswire.com/ -- The passage of the

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Borders shouldn't slow money. I'm building a world where payments, FX, and stablecoins move at the speed of trust—seamlessly, globally, and without friction.”

Shalom Dodoun

GENIUS Act marks a watershed moment for the U.S. payments industry. For years, American fintechs and payment processors have operated in a gray zone when it comes to stablecoins—caught between innovation and regulatory ambiguity. With the GENIUS Act now law, that era is over. This is more than just another piece of financial regulation; it is a strategic reset that could fundamentally reshape how U.S. companies operate in the digital payments landscape.

A Long-Awaited Framework for Stability

The most immediate benefit is regulatory clarity. For fintech leaders, clarity equals confidence. By defining a federal and state pathway for companies to become Permitted Payment Stablecoin Issuers (PPSIs), the Act unlocks the ability to plan, build, and scale without the looming uncertainty of shifting enforcement. This framework doesn't just reduce risk for companies; it de-risks adoption for institutional partners and enterprise merchants who have been waiting on the sidelines.

The founder of FintechCashier, Shalom Dodoun advises several U.S.-based fintech companies on strategy, regulation, and growth. With a track record of guiding firms through complex shifts in digital payments, stablecoin adoption, and cross-border innovation, he brings a rare blend of regulatory insight, FX expertise, and operational know-how to help U.S. companies expand confidently into global markets.

The Strategic Role of Payments Innovation

"What excites me most as an advisor to U.S. fintech companies is the innovation corridor this opens up. With regulatory uncertainty diminished, stablecoin-based payments can become a

genuine alternative to legacy settlement rails.

The potential is vast: instant merchant settlement, reduced interchange fees, and streamlined cross-border payments.

This is the infrastructure upgrade the industry has been waiting for", says Shalom Dodoun.

Rebuilding Consumer Trust

Trust is the currency of payments. The GENIUS Act mandates 1:1 backing of stablecoins with highly liquid U.S. dollar reserves or short-term Treasuries, coupled with monthly disclosures and annual audits for larger issuers. These requirements are not hurdles—they're the scaffolding on which U.S. fintechs can build consumer confidence. In a market scarred by collapses and high-profile fraud, these transparency mandates will distinguish regulated U.S. issuers from offshore, opaque competitors.

Insolvency Protection as a Game-Changer

One overlooked but vital feature is the Act's superpriority status for stablecoin holders in insolvency scenarios. By walling off reserves from other creditors, Congress has effectively put customer protection at the center of this framework. This is not only good for users—it's good for business. Companies that can guarantee this level of security will find themselves at a significant competitive advantage when competing for mainstream adoption.

Guardrails, Not Handcuffs

Compliance with AML/KYC requirements, marketing restrictions, and Treasury coordination will separate serious payment innovators from speculative players. The Act gives U.S. companies the ability to scale within a framework that satisfies regulators and institutional partners alike. In payments, credibility always outpaces hype.

A Strategic Advantage for the U.S. Dollar

Finally, it's impossible to overlook the broader geopolitical implications. By anchoring stablecoins to U.S. dollars and Treasuries, the Act ensures that dollar dominance extends into the digital era.



For American fintech companies, this alignment means they are building on rails that not only meet compliance standards but also advance U.S. strategic interests abroad.

Boosting the U.S. Economy

The GENIUS Act is also an economic catalyst. By driving global demand for U.S. dollars and Treasuries, it directly supports American financial markets and strengthens domestic capital flows. U.S. fintech firms operating under this framework will attract investment, create jobs, and stimulate growth across payments infrastructure, compliance technology, and financial services. In essence, the Act links fintech innovation to tangible economic gains for the country, reinforcing the U.S. as the global hub for digital payments.

Boosting the U.S. Economy

Beyond being a regulatory milestone, the GENIUS Act is poised to generate substantive economic benefits, underpinned by clear numbers:

- Stablecoin market and Treasury demand

As of mid-2025, the U.S. dollar-pegged stablecoin market stood at approximately \$220–\$250 billion, with nearly 99% pegged to the USD. Under the new regulatory framework, experts project that demand for short-term U.S. Treasuries backing stablecoins could soar to \$1.6 trillion over the next two years.

- Real-world impact on yields and public savings

Significant issuers already play a major role in Treasury markets. For instance, Tether held roughly \$98.5 billion in T-bills by Q1 2025—about 1.6% of the entire T-bill market, positioning it among the top non-sovereign buyers. Increasing their share has tangible effects: a 1 % uptick in market share reduced 1-month Treasury yields by 14–16 basis points, and under certain conditions by as much as 24 basis points, translating into approximately \$15 billion in annual interest savings for the U.S. government.

- Geopolitical tailwinds for the U.S. dollar

The Act reinforces the dollar's global dominance. By embedding stablecoins firmly within dollar-backed systems, it broadens the dollar's appeal across digital finance and payments, reinforcing its reserve-currency status. As Treasury Secretary Scott Bessent and others have argued, this helps address surging government debt issuance by mobilizing new demand for Treasuries.

Why These Figures Matter

- Lower borrowing costs

The surge in demand for Treasuries could reduce yields, easing government financing pressures and aiding in deficit management.

- Stimulated capital flows

With regulated stablecoins scaling, capital is increasingly channeled into U.S. financial markets, enhancing liquidity and investment opportunities.

- Strengthened digital dollar ecosystem

By anchoring stablecoin issuance to U.S. assets, the Act ensures the dollar remains the digital payments backbone globally—supporting trade, remittances, and broader fintech innovation.

The GENIUS Act isn't just a regulatory framework—it's a strategic lever for the U.S. economy. With potential \$1.6 trillion in new Treasury demand, significant interest savings, and reinforced dollar leadership, it's clear that regulated stablecoins could reshape not only fintech innovation, but also macroeconomic dynamics.

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