

117TH CONGRESS  
2D SESSION

# S. 3970

To establish reporting requirements for issuers of fiat currency-backed stablecoins, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

MARCH 31, 2022

Mr. HAGERTY introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

---

## A BILL

To establish reporting requirements for issuers of fiat currency-backed stablecoins, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stablecoin Trans-  
5 parency Act”.

6 **SEC. 2. STABLECOIN ISSUER REQUIREMENTS.**

7 (a) DEFINITIONS.—In this section:

8 (1) FIAT CURRENCY-BACKED STABLECOIN.—

9 The term “fiat currency-backed stablecoin” means a  
10 fiat currency-backed digital asset—

1 (A) that maintains price stability by back-  
2 ing the value of the digital asset to a nondigital  
3 currency that is denominated in the same cur-  
4 rency in which the digital asset is issued; and

5 (B) is redeemable on a one-to-one basis in  
6 the denominated currency to which the digital  
7 asset is backed.

8 (2) STABLECOIN ISSUER.—The term  
9 “stablecoin issuer” means a person that issues a fiat  
10 currency-backed stablecoin.

11 (b) RESERVES.—Each stablecoin issuer shall hold all  
12 reserves associated with each fiat currency-backed  
13 stablecoin issued by such stablecoin issuer in—

14 (1) government securities that have maturities  
15 of not longer than 12 months;

16 (2) fully collateralized security repurchase  
17 agreements; or

18 (3) United States dollars or any other nondig-  
19 ital currency.

20 (c) RESERVE REPORTS.—Not later than 30 days  
21 after the date of enactment of this Act and every 30 days  
22 thereafter, each stablecoin issuer shall publish on the  
23 website of the stablecoin issuer a report on the reserves

- 1 held by the stablecoin issuer that has been audited by a
- 2 third-party auditor.

