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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Stablecoin Transparency Act”.

SEC. 2. STABLECOIN ISSUER REQUIREMENTS.

(a) DEFINITIONS.—In this section:

(1) FIAT CURRENCY-BACKED STABLECOIN.—

The term “fiat currency-backed stablecoin” means a fiat currency-backed digital asset—
(A) that maintains price stability by backing the value of the digital asset to a nondigital currency that is denominated in the same currency in which the digital asset is issued; and

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

(2) Stablecoin Issuer.—The term “stablecoin issuer” means a person that issues a fiat currency-backed stablecoin.

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

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

(2) fully collateralized security repurchase agreements; or

(3) United States dollars or any other nondigital currency.

(c) Reserve Reports.—Not later than 30 days after the date of enactment of this Act and every 30 days thereafter, each stablecoin issuer shall publish on the website of the stablecoin issuer a report on the reserves
held by the stablecoin issuer that has been audited by a third-party auditor.