

119TH CONGRESS  
1ST SESSION

# H. R. 2392

To provide for the regulation of payment stablecoins, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2025

Mr. STEIL (for himself, Mr. HILL of Arkansas, Mr. TORRES of New York, Mr. EMMER, Mr. HUIZENGA, Mr. MEUSER, Mrs. KIM, Mr. MOORE of North Carolina, Mr. DOWNING, Mr. HARIDOPOLOS, Mr. GOTTHEIMER, and Mr. LICCARDO) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To provide for the regulation of payment 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 and Accountability for a Better Ledger Economy  
6       Act of 2025” or the “STABLE Act of 2025”.

7       **SEC. 2. DEFINITIONS.**

8       In this Act:

1           (1) APPROPRIATE FEDERAL BANKING AGEN-  
2           CY.—The term “appropriate Federal banking agen-  
3           cy” has the meaning given that term under section  
4           3 of the Federal Deposit Insurance Act (12 U.S.C.  
5           1813).

6           (2) BANK SECRECY ACT.—The term “Bank Se-  
7           crecy Act” means—

8                   (A) section 21 of the Federal Deposit In-  
9                   surance Act (12 U.S.C. 1829b);

10                   (B) chapter 2 of title I of Public Law 91–  
11                   508 (12 U.S.C. 1951 et seq.); and

12                   (C) subchapter II of chapter 53 of title 31,  
13                   United States Code.

14           (3) BOARD.—The term “Board” means the  
15           Board of Governors of the Federal Reserve System.

16           (4) COMPTROLLER.—The term “Comptroller”  
17           means the Comptroller of the Currency.

18           (5) CORPORATION.—The term “Corporation”  
19           means the Federal Deposit Insurance Corporation.

20           (6) CREDIT UNION TERMS.—The terms “Fed-  
21           eral credit union”, “insured credit union”, and  
22           “State credit union” have the meanings given those  
23           terms, respectively, in section 101 of the Federal  
24           Credit Union Act (12 U.S.C. 1752).

1           (7) DIGITAL ASSET.—The term “digital asset”  
2       means any digital representation of value which is  
3       recorded on a cryptographically-secured distributed  
4       ledger.

5           (8) DISTRIBUTED LEDGER.—The term “distrib-  
6       uted ledger” means technology where data is shared  
7       across a network that creates a public digital ledger  
8       of verified transactions or information among net-  
9       work participants and the data is linked using cryp-  
10      tography to maintain the integrity of the public dig-  
11      ital ledger and execute other functions.

12          (9) FEDERAL QUALIFIED NONBANK PAYMENT  
13      STABLECOIN ISSUER.—The term “Federal qualified  
14      nonbank payment stablecoin issuer” means a sub-  
15      sidiary of a nonbank entity approved by the primary  
16      Federal payment stablecoin regulator, pursuant to  
17      section 5, to issue payment stablecoins.

18          (10) INSTITUTION-AFFILIATED PARTY.—With  
19      respect to a permitted payment stablecoin issuer, the  
20      term “institution-affiliated party” means any direc-  
21      tor, officer, employee, or person in control of, or  
22      agent for, the permitted payment stablecoin issuer.

23          (11) INSURED DEPOSITORY INSTITUTION.—The  
24      term “insured depository institution” means—

1 (A) an insured depository institution, as  
2 defined in section 3 of the Federal Deposit In-  
3 surance Act (12 U.S.C. 1813); and

4 (B) an insured credit union.

5 (12) MONETARY VALUE.—The term “monetary  
6 value”—

7 (A) means—

8 (i) a national currency;

9 (ii) a deposit (as defined in section 3  
10 of the Federal Deposit Insurance Act (12  
11 U.S.C. 1813)) that is denominated in a na-  
12 tional currency; or

13 (iii) an account (as defined in section  
14 101 of the Federal Credit Union Act (12  
15 U.S.C. 1752)); and

16 (B) does not include any agricultural or  
17 other physical commodity (as defined in section  
18 1a of the Commodity Exchange Act (7 U.S.C.  
19 1a).

20 (13) NATIONAL CURRENCY.—The term “na-  
21 tional currency” means a Federal Reserve note, (as  
22 the term is used in the first undesignated paragraph  
23 of section 16 of the Federal Reserve Act (12 U.S.C.  
24 411)), money standing to the credit of an account  
25 with a Federal reserve bank, money issued by a cen-

1       tral bank, and money issued by an intergovern-  
2       mental organization pursuant to an agreement by  
3       one or more governments.

4           (14) NONBANK ENTITY.—The term “nonbank  
5       entity” means a person that is not an insured depos-  
6       itory institution or subsidiary of an insured deposi-  
7       tory institution.

8           (15) PAYMENT STABLECOIN.—The term “pay-  
9       ment stablecoin” means a digital asset—

10           (A) that is or is designed to be used as a  
11       means of payment or settlement;

12           (B) that is denominated in a national cur-  
13       rency;

14           (C) the issuer of which—

15               (i) is obligated to convert, redeem, or  
16       repurchase for a fixed amount of monetary  
17       value; or

18               (ii) represents that the digital asset  
19       will maintain or creates the reasonable ex-  
20       pectation that the digital asset will main-  
21       tain a stable value relative to the value of  
22       a fixed amount of monetary value; and

23           (D) that is not—

24               (i) a national currency;

25               (ii) a security issued by—

1 (I) an investment company reg-  
 2 istered under section 8(a) of the In-  
 3 vestment Company Act of 1940 (15  
 4 U.S.C. 80a–8(a)); or

5 (II) a person that would be an  
 6 investment company under the Invest-  
 7 ment Company Act of 1940 but for  
 8 paragraphs (1) and (7) of section 3(c)  
 9 of that Act (15 U.S.C. 80a–3(c));

10 (iii) a deposit (as defined under sec-  
 11 tion 3 of the Federal Deposit Insurance  
 12 Act (12 U.S.C. 1813)), regardless of the  
 13 technology used to record such deposit; or  
 14 (iv) an account (as defined in section  
 15 101 of the Federal Credit Union Act (12  
 16 U.S.C. 1752)), regardless of the technology  
 17 used to record such account.

18 (16) PERMITTED PAYMENT STABLECOIN  
 19 ISSUER.—The term “permitted payment stablecoin  
 20 issuer” means—

21 (A) a subsidiary of an insured depository  
 22 institution that has been approved to issue pay-  
 23 ment stablecoins under section 5;

24 (B) a Federal qualified nonbank payment  
 25 stablecoin issuer; or

1 (C) a State qualified payment stablecoin  
2 issuer.

3 (17) PERSON.—The term “person” means an  
4 individual, partnership, company, corporation, asso-  
5 ciation (incorporated or unincorporated), trust, es-  
6 tate, cooperative organization, or other entity.

7 (18) PRIMARY FEDERAL PAYMENT STABLECOIN  
8 REGULATOR.—

9 (A) IN GENERAL.—The term “primary  
10 Federal payment stablecoin regulator” means—

11 (i) with respect to an insured deposi-  
12 tory institution (other than an insured  
13 credit union) or a subsidiary of an insured  
14 depository institution (other than an in-  
15 sured credit union), the appropriate Fed-  
16 eral banking agency of such insured deposi-  
17 tory institution;

18 (ii) with respect to an insured credit  
19 union or a subsidiary of an insured credit  
20 union, the National Credit Union Adminis-  
21 tration;

22 (iii) with respect to a Federal quali-  
23 fied nonbank payment stablecoin issuer  
24 and any nonbank entity that seeks to have  
25 a subsidiary approved as a Federal quali-

1           fied nonbank payment stablecoin issuer,  
2           the Comptroller; and

3           (iv) with respect to any entity char-  
4           tered by the Comptroller, the Comptroller.

5           (B)     PRIMARY     FEDERAL     PAYMENT  
6           STABLECOIN REGULATORS.—The term “pri-  
7           mary Federal payment stablecoin regulators”  
8           means the Comptroller, the Board, the Corpora-  
9           tion, and the National Credit Union Adminis-  
10          tration.

11          (19)    REGISTERED   PUBLIC   ACCOUNTING  
12          FIRM.—The term “registered public accounting  
13          firm” has the meaning given that term under section  
14          2 of the Sarbanes-Oxley Act of 2002 (15 U.S.C.  
15          7201).

16          (20)    STATE.—The term “State” means each of  
17          the several States, the District of Columbia, and  
18          each territory of the United States.

19          (21)    STATE QUALIFIED PAYMENT STABLECOIN  
20          ISSUER.—The term “State qualified payment  
21          stablecoin issuer” means an entity that—

22                  (A) is approved to issue payment  
23                  stablecoins by a State payment stablecoin regu-  
24                  lator;



(B) issues a payment stablecoin in compliance with the laws and regulations of a State regulatory regime certified under section 4(b); and

(C) is not—

(i) chartered by the Comptroller;

(ii) a Federal credit union; or

(iii) a subsidiary of a State credit union that—

(I) has at least a partial ownership interest or loan from a Federal credit union; or

(II) has at least a partial ownership interest or loan from a State credit union that is organized in a different State than such subsidiary.

(22) STATE PAYMENT STABLECOIN REGULATOR.—The term “State payment stablecoin regulator” means—

(A) a State agency that has primary regulatory and supervisory authority in such State over entities that issue payment stablecoins; and

(B) with respect to a State qualified payment stablecoin issuer that is a subsidiary of a

1 State-chartered depository institution (as de-  
2 fined in section 3 of the Federal Deposit Insur-  
3 ance Act (12 U.S.C. 1813)) or a State credit  
4 union, the State agency that has primary regu-  
5 latory and supervisory authority over entities  
6 that issue payment stablecoins in the State in  
7 which such State-chartered depository institu-  
8 tion or State credit union is chartered.

9 (23) SUBSIDIARY OF AN INSURED CREDIT  
10 UNION.—With respect to an insured credit union,  
11 the term “subsidiary of an insured credit union”  
12 means—

13 (A) an organization providing services to  
14 the insured credit union that are associated  
15 with the routine operations of credit unions, as  
16 described under section 107(7)(I) of the Fed-  
17 eral Credit Union Act (12 U.S.C. 1757(7)(I));

18 (B) a credit union service organization, as  
19 such term is used under part 712 of title 12,  
20 Code of Federal Regulations, with respect to  
21 which the insured credit union has an owner-  
22 ship interest or to which the insured credit  
23 union has extended a loan; and

24 (C) any subsidiary of an insured credit  
25 union that is a State credit union.

1 **SEC. 3. LIMITATION ON WHO MAY ISSUE A PAYMENT**  
2 **STABLECOIN.**

3 (a) **LIMITATION ON ISSUERS.**—It shall be unlawful  
4 for any person other than a permitted payment stablecoin  
5 issuer to issue a payment stablecoin in the United States.

6 (b) **LIMITATION ON OFFERING OR SELLING.**—

7 (1) **IN GENERAL.**—After the end of the 2-year  
8 period beginning on the date of enactment of this  
9 Act, it shall be unlawful for any custodial inter-  
10 mediary to offer or sell a payment stablecoin in the  
11 United States unless the payment stablecoin was  
12 issued by a permitted payment stablecoin issuer.

13 (2) **EXCEPTIONS FOR COMPARABLE PAYMENT**  
14 **STABLECOIN REGIMES.**—

15 (A) **IN GENERAL.**—Paragraph (1) and sub-  
16 section (a) shall not apply to the offer or sale  
17 of a payment stablecoin if—

18 (i) the payment stablecoin was issued  
19 by a foreign payment stablecoin issuer;

20 (ii) the foreign payment stablecoin  
21 issuer is subject to regulation by a foreign  
22 payment stablecoin regulator of a nation  
23 with a payment stablecoin regulatory re-  
24 gime that the Secretary of the Treasury  
25 determines under subparagraph (B) is

1 comparable to the requirements under this  
2 Act; and

3 (iii) the foreign payment stablecoin  
4 issuer consents to be subject to reporting  
5 and examination requirements, as deter-  
6 mined by—

7 (I) the Comptroller, if the foreign  
8 payment stablecoin issuer is a  
9 nonbank; or

10 (II) the Board, if the foreign  
11 payment stablecoin issuer is a banking  
12 institution or subsidiary thereof.

13 (B) DETERMINATION.—With respect to a  
14 foreign nation, the Secretary of the Treasury  
15 shall determine, upon request of a foreign pay-  
16 ment stablecoin issuer, a foreign payment  
17 stablecoin regulator, or on the Secretary's own  
18 initiative, and in consultation with the Federal  
19 payment stablecoin regulators, whether the pay-  
20 ment stablecoin regulatory regime of such na-  
21 tion is comparable to the requirements under  
22 this Act.

23 (C) PUBLIC NOTICE.—The Secretary shall  
24 make the list of nations for which a determina-  
25 tion has been made under subparagraph (B)

1 available to the public, and keep such list cur-  
2 rent.

3 (D) RESCINDING DETERMINATIONS.—

4 (i) SECRETARIAL ACTION.—The Sec-  
5 retary may, in consultation with the pri-  
6 mary Federal payment stablecoin regu-  
7 lators, rescind a determination made under  
8 subparagraph (B) with respect to a foreign  
9 nation, if the Secretary determines that  
10 the regulatory regime of such nation is no  
11 longer comparable to the requirements  
12 under this Act.

13 (ii) SAFEHARBORS.—If the Secretary  
14 rescinds a determination pursuant to  
15 clause (i), a custodial intermediary shall  
16 not be in violation of this subsection by  
17 reason of the offer or sale of a payment  
18 stablecoin issued by such nation's foreign  
19 payment stablecoin issuer until 90 days  
20 after the determination is rescinded.

21 (3) PENALTY.—Any person who violates this  
22 subsection shall be subject to a civil penalty of not  
23 more than \$100,000 for each day during which such  
24 violation continues.

1 (c) RULEMAKING.—Not later than 12 months after  
 2 the date of enactment of this Act, the Secretary shall issue  
 3 such rules as may be required to carry out this section.

4 (d) RULE OF CONSTRUCTION.—This section does not  
 5 apply to transactions in digital assets for an individual’s  
 6 own lawful purposes by means of a software or hardware  
 7 wallet that facilitates such individual’s own custody of dig-  
 8 ital assets.

9 **SEC. 4. REQUIREMENTS FOR ISSUING PAYMENT**  
 10 **STABLECOINS.**

11 (a) STANDARDS FOR THE ISSUANCE OF PAYMENT  
 12 STABLECOINS.—

13 (1) IN GENERAL.—Each permitted payment  
 14 stablecoin issuer shall—

15 (A) maintain reserves backing the issuer’s  
 16 outstanding payment stablecoins on an at least  
 17 1 to 1 basis, with reserves comprising—

18 (i) United States currency (including  
 19 Federal reserve notes) or money standing  
 20 to the credit of an account with a Federal  
 21 reserve bank;

22 (ii) funds held as demand deposits (or  
 23 other deposits that may be withdrawn  
 24 upon request at any time) at insured de-  
 25 pository institutions (including foreign

1 branches and agencies of insured deposi-  
2 tory institutions) or approved foreign de-  
3 pository institutions (as defined in para-  
4 graph (5)(v)) or share drafts (or other de-  
5 posits that may be withdrawn upon request  
6 at any time) at insured credit unions, sub-  
7 ject to limitations established by the Cor-  
8 poration and the National Credit Union  
9 Administration, respectively, to address  
10 safety and soundness risks of such insured  
11 depository institutions;

12 (iii) Treasury bills, notes, or bonds—

13 (I) with a remaining maturity of

14 93 days or less; or

15 (II) issued with a maturity of 93

16 days or less;

17 (iv) repurchase agreements, wherein

18 the permitted payment stablecoin issuer is

19 acting as a seller of securities, or reverse

20 repurchase agreements, wherein the per-

21 mitted payment stablecoin issuer is acting

22 as a purchaser of securities, with an over-

23 night maturity and that are backed by

24 Treasury bills with a maturity of 93 days

25 or less that are—

1 (I) centrally cleared through a  
2 clearing agency registered with the  
3 Securities and Exchange Commission;  
4 or

5 (II) bilateral, settling either  
6 through delivery versus payment or  
7 through a tri-party control account,  
8 with a counterparty that the issuer  
9 has determined to be adequately cred-  
10 it worthy even in the event of severe  
11 market stress; or

12 (v) securities issued by an investment  
13 company under section 8(a) of the Invest-  
14 ment Company Act of 1940 that operates  
15 as a money market fund in compliance  
16 with Rule 2a-7 under the Investment  
17 Company Act of 1940 (or any successor  
18 rule) and that are invested solely in the  
19 underlying assets described in clauses (i)  
20 through (iv) and (vi);

21 (B) publicly disclose the issuer's redemp-  
22 tion policy;

23 (C) establish procedures for timely redemp-  
24 tion of the issuer's outstanding payment  
25 stablecoins; and



1 (D) publish a report on the monthly com-  
2 position of the issuer's reserves on the website  
3 of the issuer, containing—

4 (i) the total number of outstanding  
5 payment stablecoins issued by the issuer;  
6 and

7 (ii) the amount and composition of  
8 the reserves described under subparagraph  
9 (A).

10 (2) ELIGIBILITY.—The requirements to main-  
11 tain reserves under paragraph (1)(A) may not be  
12 construed as expanding or contracting eligibility to  
13 qualify as a depository institution under section  
14 19(b)(1)(A) of the Federal Reserve Act (12 U.S.C.  
15 461(b)(1)(A)).

16 (3) PROHIBITION ON REHYPOTHECATION.—Re-  
17 serves described under paragraph (1)(A) may not be  
18 pledged, rehypothecated, or reused, except for the  
19 purpose of satisfying obligations associated with re-  
20 serves described under paragraph (1)(A)(iv) if the  
21 permitted payment stablecoin issuer receives the  
22 prior approval of the primary Federal payment  
23 stablecoin regulator or the State payment stablecoin  
24 regulator.

1           (4) MONTHLY CERTIFICATION; EXAMINATION  
2       OF REPORTS BY REGISTERED PUBLIC ACCOUNTING  
3       FIRM.—

4           (A) IN GENERAL.—A permitted payment  
5       stablecoin issuer shall, each month, have the in-  
6       formation disclosed in the previous month-end  
7       report required under paragraph (1)(D) exam-  
8       ined by an independent registered public ac-  
9       counting firm.

10          (B) CERTIFICATION.—Each month, the  
11       Chief Executive Officer and Chief Financial Of-  
12       ficer of a permitted payment stablecoin issuer  
13       shall submit to, as applicable, the primary Fed-  
14       eral payment stablecoin regulator or, in the  
15       case of a State qualified payment stablecoin  
16       issuer, the State payment stablecoin regulator,  
17       a certification that, based on such officers'  
18       knowledge, the previous month-end report re-  
19       quired under paragraph (1)(D)—

20               (i) does not contain any untrue state-  
21       ment of material fact or omit to state a  
22       material fact necessary in order to make  
23       the statements made, in light of the cir-  
24       cumstances under which such statements  
25       were made, not misleading; and

1 (ii) fairly presented in all material re-  
2 spects the information required under  
3 paragraph (1)(D) for the period presented  
4 in such report.

5 (C) CRIMINAL PENALTIES.—Whoever—

6 (i) submits a certification set forth in  
7 subparagraph (B) knowing that the report  
8 to which the certification relates does not  
9 fairly present, in all material respects, the  
10 information required to be contained in  
11 such report shall be fined not more than  
12 \$1,000,000 or imprisoned not more than  
13 10 years, or both; or

14 (ii) willfully submits a certification set  
15 forth in subparagraph (B) knowing that  
16 the report to which the certification relates  
17 does not fairly present, in all material re-  
18 spects, the information required to be con-  
19 tained in such report shall be fined not  
20 more than \$5,000,000, or imprisoned not  
21 more than 20 years, or both.

22 (5) CAPITAL, LIQUIDITY, RISK MANAGEMENT,  
23 AND OTHER REQUIREMENTS.—

24 (A) IN GENERAL.—The primary Federal  
25 payment stablecoin regulators shall, jointly and

1 in consultation with the State payment  
2 stablecoin regulators, issue rules to establish—

3 (i) capital requirements applicable to  
4 a permitted payment stablecoin issuer  
5 that—

6 (I) are tailored to the business  
7 model and risk profile of a permitted  
8 payment stablecoin issuer;

9 (II) do not exceed requirements  
10 which are sufficient to ensure the on-  
11 going operations of a permitted pay-  
12 ment stablecoin issuer; and

13 (III) if such regulators determine  
14 that a capital buffer is necessary to  
15 ensure the ongoing operations of a  
16 permitted payment stablecoin issuer,  
17 may include capital buffers that are  
18 tailored to the business model and  
19 risk profile of a permitted payment  
20 stablecoin issuer;

21 (ii) requirements implementing liquid-  
22 ity standards applicable to reserves de-  
23 scribed in paragraph (1) for a permitted  
24 payment stablecoin issuer, which may not  
25 exceed an amount that is sufficient to en-

1           sure the financial integrity of a permitted  
2           payment stablecoin issuer and the ability  
3           of the issuer to meet the financial obliga-  
4           tions of the issuer, including redemptions;

5           (iii) reserve asset diversification and  
6           interest rate risk management standards  
7           applicable to a permitted payment  
8           stablecoin issuer that—

9                       (I) are tailored to the business  
10                      model and risk profile of a permitted  
11                      payment stablecoin issuer; and

12                     (II) do not exceed standards  
13                     which are sufficient to ensure the on-  
14                     going operations of a permitted pay-  
15                     ment stablecoin issuer; and

16           (iv) appropriate operational, compli-  
17           ance, information technology, and cyberse-  
18           curity risk management standards that are  
19           tailored to the business model and risk  
20           profile of a permitted payment stablecoin  
21           issuer; and

22           (v) requirements regarding the ap-  
23           proval of foreign depository institutions  
24           that may hold demand deposits of a per-  
25           mitted payment stablecoin issuer.

1 (B) RULE OF CONSTRUCTION.—Nothing in  
2 this paragraph may be construed to limit—

3 (i) the authority of the primary Fed-  
4 eral payment stablecoin regulators, in pre-  
5 scribing standards under this paragraph,  
6 to tailor or differentiate among permitted  
7 payment stablecoin issuers on an individ-  
8 ualized basis or by category, taking into  
9 consideration the capital structure, busi-  
10 ness model risk profile, complexity, finan-  
11 cial activities, size, and any other risk re-  
12 lated factors of permitted payment  
13 stablecoin issuers that the primary Federal  
14 payment stablecoin regulators determine  
15 appropriate; or

16 (ii) the supervisory, regulatory, or en-  
17 forcement authority of a Federal banking  
18 agency (as defined in section 3 of the Fed-  
19 eral Deposit Insurance Act (12 U.S.C.  
20 1813)) or the National Credit Union Ad-  
21 ministration to further the ability of an in-  
22 stitution under the supervision of the Fed-  
23 eral banking agency or the National Credit  
24 Union Administration to maintain safe and  
25 sound operations or comply with this Act.

1 (C) APPLICABILITY OF EXISTING CAPITAL  
2 STANDARDS.—

3 (i) APPLICABILITY OF THE FINANCIAL  
4 STABILITY ACT OF 2010.—Section 171 of  
5 the Financial Stability Act of 2010 (12  
6 U.S.C. 5371) shall not apply to require-  
7 ments issued under this paragraph.

8 (ii) RULES RELATING TO LEVERAGE  
9 CAPITAL REQUIREMENTS OR RISK-BASED  
10 CAPITAL REQUIREMENTS.—Where an in-  
11 sured depository institution or depository  
12 institution holding company, as defined  
13 under section 171(a)(3) of the Financial  
14 Stability Act of 2010 (12 U.S.C.  
15 5371(a)(3)), includes, on a consolidated  
16 basis, a permitted payment stablecoin  
17 issuer, any rule issued by an appropriate  
18 Federal banking agency that imposes, on a  
19 consolidated basis, a leverage capital re-  
20 quirement or risk-based capital require-  
21 ment on such insured depository institu-  
22 tion or depository institution holding com-  
23 pany, shall not require such insured depos-  
24 itory institution or depository institution  
25 holding company to hold, with respect to

1 the permitted payment stablecoin issuer  
2 and its assets and operations, any amount  
3 of regulatory capital in excess of the cap-  
4 ital that such permitted payment  
5 stablecoin issuer must maintain under the  
6 capital requirements promulgated pursuant  
7 to paragraph (5)(A)(i).

8 (iii) RULEMAKING.—Not later than  
9 the date the primary Federal payment  
10 stablecoin regulators issue regulations to  
11 carry out this section, each Federal bank-  
12 ing agency, as defined in section 3 of the  
13 Federal Deposit Insurance Act (12 U.S.C.  
14 1813), shall amend or otherwise modify  
15 any regulation described in clause (ii) so  
16 that it complies with such clause (ii).

17 (6) TREATMENT UNDER THE BANK SECRECY  
18 ACT.—A permitted payment stablecoin issuer shall  
19 be treated as a financial institution for purposes of  
20 the Bank Secrecy Act.

21 (7) LIMITATION ON PAYMENT STABLECOIN AC-  
22 TIVITIES.—A permitted payment stablecoin issuer  
23 may only—

24 (A) issue payment stablecoins;

25 (B) redeem payment stablecoins;



1 (C) manage related reserves (including  
2 purchasing, selling, and holding reserve assets);

3 (D) provide custodial or safekeeping serv-  
4 ices for payment stablecoins and private keys of  
5 payment stablecoins;

6 (E) provide custodial or safekeeping serv-  
7 ices for reserves, consistent with this Act;

8 (F) undertake other functions that directly  
9 support activities described in subparagraphs  
10 (A) through (E); and

11 (G) undertake such non-payment  
12 stablecoin activities that are allowed by the pri-  
13 mary Federal payment stablecoin regulator.

14 (8) PROHIBITION ON YIELD.—A permitted pay-  
15 ment stablecoin issuer may not pay interest or yield  
16 to holders of its payment stablecoins.

17 (9) REGULATION OF FEDERAL QUALIFIED  
18 NONBANK PAYMENT STABLECOIN ISSUERS BY THE  
19 COMPTROLLER.—A Federal qualified nonbank pay-  
20 ment stablecoin issuer shall be regulated and super-  
21 vised exclusively by the Comptroller.

22 (b) STATE-LEVEL REGULATORY REGIMES.—

23 (1) IN GENERAL.—A State qualified payment  
24 stablecoin issuer may only issue payment stablecoins  
25 pursuant to the regulation of a State payment

1       stablecoin regulator of a State with a regulatory re-  
2       gime for issuing payment stablecoins that is certified  
3       under this subsection as meeting or exceeding the  
4       standards and requirements described in subsection  
5       (a).

6               (2) CERTIFICATION.—

7               (A) IN GENERAL.—Beginning on the date  
8       that is 1 year after the date of enactment of  
9       this Act or 60 days after the rulemaking de-  
10      scribed in subsection (d) is completed, which-  
11      ever is earlier, a State payment stablecoin regu-  
12      lator may submit to the Secretary of the Treas-  
13      ury a certification that the regulatory regime of  
14      the State for issuing payment stablecoins meets  
15      or exceeds the standards and requirements de-  
16      scribed in subsection (a).

17              (B) VALIDITY OF CERTIFICATION.—A cer-  
18      tification under subparagraph (A) shall be valid  
19      upon submission and remain valid unless the  
20      Secretary of the Treasury rejects the certifi-  
21      cation under paragraph (6).

22              (3) FORM OF CERTIFICATION.—A certification  
23      described under paragraph (2)—

24              (A) shall contain an attestation that the  
25      regulatory regime of the State for issuing pay-

1           ment stablecoins meets or exceeds the stand-  
2           ards and requirements described in subsection  
3           (a); and

4                 (B) may include supporting information,  
5           such as a copy of any State law or regulation  
6           implementing such standards and requirements.

7           (4) REPORT AND ATTESTATION.—

8                 (A) IN GENERAL.—A State payment  
9           stablecoin regulator with a valid certification  
10          under this subsection that has made subsequent  
11          material changes to its State regulatory regime  
12          and wishes to maintain a valid certification  
13          shall submit to the Secretary of the Treasury  
14          an explanation of all such material changes.

15                (B) FORM OF MATERIAL CHANGES EXPLA-  
16          NATION.—With respect to a State payment  
17          stablecoin regulator that submits an expla-  
18          nation of material changes to the State regu-  
19          latory regime under subparagraph (A), the pay-  
20          ment stablecoin regulator shall make such ex-  
21          planation in the same manner, and containing  
22          the same attestation, as described under para-  
23          graph (3) for a certification.

24           (5) ADVISORY OPINIONS ON PROPOSED LAWS  
25          OR REGULATIONS.—Upon request of any State pay-

1       ment stablecoin regulator, the Secretary of the  
2       Treasury shall—

3               (A) review any proposed law or regulation  
4               of the State provided by the State payment  
5               stablecoin regulator; and

6               (B) not later than 30 days after being pro-  
7               vided the proposed law or regulation, either—

8                       (i) inform the State payment  
9                       stablecoin regulator that the proposed law  
10                      or regulation is consistent with a State  
11                      regulatory regime for issuing payment  
12                      stablecoins that meets or exceeds the  
13                      standards and requirements described in  
14                      subsection (a); or

15                     (ii) provide the State payment  
16                     stablecoin regulator with a detailed expla-  
17                     nation of why the proposed law or regula-  
18                     tion is not consistent with a State regu-  
19                     latory regime for issuing payment  
20                     stablecoins that meets or exceeds the  
21                     standards and requirements described in  
22                     subsection (a).

23               (6) REGIMES THAT ARE NOT SUBSTANTIALLY  
24       SIMILAR.—

1 (A) IN GENERAL.—The Secretary of the  
2 Treasury may reject a certification under para-  
3 graph (3) or a certification with respect to  
4 which a State payment stablecoin regulator has  
5 submitted an explanation of material changes  
6 under paragraph (4), if the Secretary, not later  
7 than 30 days after the date on which the initial  
8 certification or explanation of material changes  
9 is submitted—

10 (i) determines that the State regu-  
11 latory regime does not meet or exceed the  
12 standards and requirements described in  
13 subsection (a); and

14 (ii) provides the State payment  
15 stablecoin regulator with a written expla-  
16 nation for the rejection, describing the rea-  
17 soned basis for the rejection with sufficient  
18 detail such that the State can bring the  
19 State regulatory regime into compliance  
20 based on the explanation.

21 (B) OPPORTUNITY TO CURE.—

22 (i) IN GENERAL.—With respect to a  
23 rejection described under subparagraph  
24 (A), the Secretary of the Treasury shall  
25 provide the State payment stablecoin regu-

1           lator with not less than a 180-day period  
2           from the date on which the State payment  
3           stablecoin regulator is notified of such re-  
4           jection to—

5                   (I) make such changes as may be  
6                   necessary to ensure the regulatory re-  
7                   gime of the State for issuing payment  
8                   stablecoins meets or exceeds the  
9                   standards and requirements described  
10                  in subsection (a); and

11                  (II) resubmit the certification or  
12                  explanation of material changes.

13                  (ii) REJECTION.—If, after a State  
14                  payment stablecoin regulator makes  
15                  changes described under clause (i) during  
16                  the period described in clause (i), the Sec-  
17                  retary of the Treasury determines that the  
18                  certification should be rejected, the Sec-  
19                  retary of the Treasury shall, not later than  
20                  30 days after such determination, provide  
21                  the State payment stablecoin regulator  
22                  with a written explanation for the deter-  
23                  mination, describing the reasoned basis for  
24                  the determination with sufficient detail

1 such that the State can bring its regime  
2 into compliance based on the explanation.

3 (C) APPEAL OF REJECTION.—

4 (i) IN GENERAL.—A State payment  
5 stablecoin regulator that has had a certifi-  
6 cation rejected under this paragraph may,  
7 after the cure period described under sub-  
8 paragraph (B)(i), appeal such rejection to  
9 the United States Court of Appeals for the  
10 District of Columbia Circuit, which shall,  
11 upon a determination that the regulatory  
12 regime of the State for issuing payment  
13 stablecoins meets or exceeds the standards  
14 and requirements described in subsection  
15 (a), reverse such rejection.

16 (ii) REVIEW BY THE SUPREME  
17 COURT.—The judgment and decree of the  
18 Court of Appeals shall be final, except that  
19 the same shall be subject to review by the  
20 Supreme Court upon certiorari, as pro-  
21 vided in section 1254 of title 28.

22 (D) RIGHT TO RESUBMIT.—A State pay-  
23 ment stablecoin regulator that has had a certifi-  
24 cation rejected under this paragraph may re-  
25 submit a new certification under paragraph (2).

1           (7) APPROPRIATE EXEMPTIVE RELIEF.—The  
2       Secretary of the Treasury shall issue such rules and  
3       orders as are necessary to provide appropriate ex-  
4       emptive relief and safe harbors for State qualified  
5       payment stablecoin issuers to continue operations  
6       during such periods in which any rules promulgated  
7       pursuant to subsection (a) materially affect a pre-  
8       viously certified State regulatory regime’s ability to  
9       meet or exceed the standards and requirements de-  
10      scribed in subsection (a).

11      (c) NOT INSURED BY THE FEDERAL GOVERNMENT;  
12 MISREPRESENTATION OF INSURED STATUS.—

13           (1) IN GENERAL.—Payment stablecoins are not  
14      backed by the full faith and credit of the United  
15      States, guaranteed by the United States Govern-  
16      ment, subject to deposit insurance by the Corpora-  
17      tion, or subject to share insurance by the National  
18      Credit Union Administration.

19           (2) MISREPRESENTATION OF INSURED STA-  
20      TUS.—It shall be unlawful to represent that a pay-  
21      ment stablecoin is backed by the full faith and credit  
22      of the United States, guaranteed by the United  
23      States Government, or subject to Federal deposit in-  
24      surance or Federal share insurance.



1           (3)       DISCLOSURE.—Permitted       payment  
2       stablecoin issuers shall clearly and prominently dis-  
3       close on their website that payment stablecoins  
4       issued by such permitted payment stablecoin issuer  
5       are not guaranteed by the United States Govern-  
6       ment, covered by deposit insurance by the Federal  
7       Deposit Insurance Corporation, or by share insur-  
8       ance of the National Credit Union Administration.

9           (4) PENALTIES.—Any person who violates this  
10      subsection may be prosecuted to the fullest extent of  
11      the law, including, as applicable, under—

12                (A) section 18(a)(4) of the Federal Deposit  
13      Insurance Act (relating to the prohibition on  
14      false advertising in connection with deposit in-  
15      surance, the misuse of FDIC names, and mis-  
16      representations of insured status);

17                (B) section 709 of title 18, United States  
18      Code (relating to false advertising or misuse of  
19      names to indicate a Federal agency);

20                (C) criminal penalties under title 18,  
21      United States Code, related to fraud; and

22                (D) other remedies available under the law.

23      (d) OFFICERS AND DIRECTORS CONVICTED OF CER-  
24      TAIN FELONIES.—No individual who has been convicted  
25      of a felony offense involving insider trading, embezzle-

1 ment, cybercrime, money laundering, financing of ter-  
 2 rorism, or financial fraud may serve as—

- 3 (1) an officer of a payment stablecoin issuer; or
- 4 (2) a director of a payment stablecoin issuer.

5 (e) RULEMAKING.—

6 (1) IN GENERAL.—The primary Federal pay-  
 7 ment stablecoin regulators may issue such orders  
 8 and regulations as may be necessary to administer  
 9 and carry out the requirements of this section, in-  
 10 cluding to establish conditions, and to prevent eva-  
 11 sions thereof.

12 (2) JOINT ISSUANCE OF REGULATION.—All reg-  
 13 ulations issued to carry out this section by the pri-  
 14 mary Federal payment stablecoin regulators shall be  
 15 issued jointly, after consultation with State payment  
 16 stablecoin regulators.

17 (3) RULEMAKING DEADLINE.—Not later than  
 18 the end of the 180-day period beginning on the date  
 19 of enactment of this Act, the Federal payment  
 20 stablecoin regulators shall issue regulations to carry  
 21 out this section.

22 **SEC. 5. APPROVAL OF SUBSIDIARIES OF INSURED DEPOSI-**  
 23 **TORY INSTITUTIONS AND SUBSIDIARIES OF**  
 24 **NONBANK ENTITIES.**

25 (a) IN GENERAL.—

1 (1) APPLICATION.—

2 (A) IN GENERAL.—The primary Federal  
3 payment stablecoin regulator shall receive, re-  
4 view, and consider for approval applications  
5 from any insured depository institution that  
6 seeks to issue payment stablecoins through a  
7 subsidiary and any nonbank entity that seeks to  
8 issue payment stablecoins through a subsidiary.

9 (B) SHARING OF INFORMATION.—With re-  
10 spect to applications submitted by State-char-  
11 tered insured depository institutions, the pri-  
12 mary Federal payment stablecoin regulator  
13 shall share such applications with the relevant  
14 State bank or State credit union supervisor.

15 (C) COMPLETION OF APPLICATION.—

16 (i) IN GENERAL.—The primary Fed-  
17 eral payment stablecoin regulator shall  
18 consider an application complete if such  
19 application contains sufficient information  
20 for the primary Federal payment  
21 stablecoin regulator to render a decision on  
22 whether the application meets the require-  
23 ments set forth in section 4.

24 (ii) MATERIAL CHANGE IN CIR-  
25 CUMSTANCES.—An application described

1 under clause (i) that is considered com-  
2 plete shall remain complete unless the pri-  
3 mary Federal payment stablecoin regulator  
4 determines that a material change in cir-  
5 cumstances requires otherwise.

6 (2) EVALUATION OF APPLICATIONS.—A com-  
7 plete application received under paragraph (1) shall  
8 be evaluated by the primary Federal payment  
9 stablecoin regulator based on the ability of the sub-  
10 sidiary of the applicant to meet the requirements set  
11 forth in section 4.

12 (3) TIMING FOR DECISION; GROUNDS FOR DE-  
13 NIAL.—

14 (A) TIMING.—The primary Federal pay-  
15 ment stablecoin regulator shall—

16 (i) not later than 30 days after receiv-  
17 ing the application—

18 (I) inform the applicant whether  
19 the applicant has submitted a com-  
20 plete application; and

21 (II) if the application is not com-  
22 plete, inform the applicant of the ad-  
23 ditional information the applicant  
24 must provide in order for the applica-  
25 tion to be considered complete; and

1 (ii) not later than 120 days after in-  
2 forming the applicant that the application  
3 is complete, render a decision on an appli-  
4 cation.

5 (B) DENIAL OF APPLICATION.—

6 (i) GROUNDS FOR DENIAL.—

7 (I) IN GENERAL.—The primary  
8 Federal payment stablecoin regulator  
9 may only deny a complete application  
10 received under paragraph (1) if the  
11 regulator determines that the activi-  
12 ties of the applicant would be unsafe  
13 or unsound based on the ability of the  
14 subsidiary of the applicant to meet  
15 the requirements set forth in section  
16 4.

17 (II) TREATMENT OF CERTAIN  
18 ISSUANCES.—The issuance of a pay-  
19 ment stablecoin on an open, public,  
20 and decentralized network shall not be  
21 a valid ground for denial of an appli-  
22 cation received under paragraph (1).

23 (ii) EXPLANATION REQUIRED.—If the  
24 primary Federal payment stablecoin regu-  
25 lator denies a complete application received

1 under paragraph (1), the regulator shall,  
2 not later than 30 days after the date of  
3 such denial, provide the applicant with—

4 (I) written notice explaining the  
5 denial with specificity, including all  
6 findings made by the regulator with  
7 respect to all identified material short-  
8 comings in the application; and

9 (II) actionable recommendations  
10 on how the applicant could address  
11 the identified material shortcomings.

12 (iii) OPPORTUNITY FOR HEARING;  
13 FINAL DETERMINATION.—

14 (I) IN GENERAL.—Not later than  
15 30 days after the date of receipt of  
16 any notice of the denial of an applica-  
17 tion under this subsection, the appli-  
18 cant may request, in writing, an op-  
19 portunity for a written or oral hearing  
20 before the primary Federal payment  
21 stablecoin regulator to appeal the de-  
22 nial.

23 (II) TIMING.—Upon receipt of a  
24 timely request, the primary Federal  
25 payment stablecoin regulator shall no-

1           tice a time (not later than 30 days  
2           after the date of receipt of the re-  
3           quest) and place at which the appli-  
4           cant may appear, personally or  
5           through counsel, to appeal the denial,  
6           to submit written materials, or to pro-  
7           vide oral testimony and oral argu-  
8           ment.

9                       (III) FINAL DETERMINATION.—

10          Not later than 60 days after the date  
11          of a hearing under this clause, the  
12          primary Federal payment stablecoin  
13          regulator shall notify the applicant of  
14          the final determination of the primary  
15          Federal payment stablecoin regulator  
16          with respect to the appeal, which shall  
17          contain a statement of the basis for  
18          such determination, with specific find-  
19          ings.

20                      (IV) NOTICE IF NO HEARING.—If

21          an applicant does not make a timely  
22          request for a hearing under this  
23          clause, the primary Federal payment  
24          stablecoin regulator shall notify the  
25          applicant, not later than 10 days after

1 the date by which the applicant may  
2 request a hearing under this clause, in  
3 writing, that the denial of the applica-  
4 tion is a final determination of the  
5 primary Federal payment stablecoin  
6 regulator.

7 (C) FAILURE TO RENDER A DECISION.—If  
8 the primary Federal payment stablecoin regu-  
9 lator fails to render a decision on a complete  
10 application within the time period specified in  
11 subparagraph (A), the application shall be  
12 deemed approved.

13 (D) RIGHT TO REAPPLY.—The denial of  
14 an application under this subsection shall not  
15 prohibit the applicant from filing a subsequent  
16 application.

17 (4) REPORT ON PENDING APPLICATIONS.—  
18 Each of the primary Federal payment stablecoin  
19 regulators shall annually report to Congress on—

20 (A) the number of calendar days each ap-  
21 plicant waited for either an approval or denial  
22 of an application under this subsection;

23 (B) the number of calendar days each ap-  
24 plicant with an outstanding application has  
25 waited for a decision; and



1 (C) the number of applications that have  
2 been pending for 6 months or longer since the  
3 date of the initial application filed under para-  
4 graph (1) where the applicant has been in-  
5 formed that the application remains incomplete,  
6 including providing documentation on the sta-  
7 tus of the application and why the application  
8 has not yet been approved.

9 (5) RULEMAKING.—

10 (A) IN GENERAL.—Not later than 180  
11 days after the date of enactment of this Act,  
12 the primary Federal payment stablecoin regu-  
13 lators shall, jointly, issue rules to carry out this  
14 section, which may only relate to the application  
15 process under this subsection and may not im-  
16 plement the requirements set forth in section 4.

17 (B) TAILORING OF RULES.—The joint  
18 rulemaking required under subparagraph (A)  
19 shall be tailored so as to minimize any incre-  
20 mental burden placed on well capitalized and  
21 highly-rated insured depository institutions.

22 (b) EFFECTIVE DATE.—

23 (1) IN GENERAL.—This section shall take effect  
24 on the earlier of—

1 (A) 12 months after the date of enactment  
2 of this Act; or

3 (B) the date that is 120 days after the  
4 date on which the primary Federal payment  
5 stablecoin regulators issue final regulations im-  
6 plementing this section.

7 (2) NOTICE TO CONGRESS.—Each of the pri-  
8 mary Federal payment stablecoin regulators shall  
9 notify Congress upon receiving their first applica-  
10 tion.

11 (c) EFFECT ON STATE LAW FOR PAYMENT  
12 STABLECOIN ISSUERS APPROVED BY FEDERAL PAYMENT  
13 STABLECOIN REGULATORS UNDER THIS SECTION.—The  
14 provisions of this section preempt any conflicting State  
15 law and supersede any State licensing requirement for any  
16 nonbank entity or subsidiary of an insured depository in-  
17 stitution or credit union that is approved under this sec-  
18 tion to be a permitted payment stablecoin issuer.

19 **SEC. 6. SUPERVISION AND ENFORCEMENT WITH RESPECT**  
20 **TO SUBSIDIARIES OF INSURED DEPOSITORY**  
21 **INSTITUTIONS AND FEDERAL QUALIFIED**  
22 **NONBANK PAYMENT STABLECOIN ISSUERS.**

23 (a) SUPERVISION.—

24 (1) SUBSIDIARY OF AN INSURED DEPOSITORY  
25 INSTITUTION.—

1 (A) IN GENERAL.—Each permitted pay-  
 2 ment stablecoin issuer that is a subsidiary of an  
 3 insured depository institution shall be subject to  
 4 supervision by the primary Federal payment  
 5 stablecoin regulator in the same manner as  
 6 such insured depository institution.

7 (B) GRAMM-LEACH-BLILEY ACT.—For  
 8 purposes of title V of the Gramm-Leach-Bliley  
 9 Act (15 U.S.C. 6801 et seq.) each permitted  
 10 payment stablecoin issuer that is a subsidiary  
 11 of an insured depository institution shall be  
 12 deemed a financial institution.

13 (2) FEDERAL QUALIFIED NONBANK PAYMENT  
 14 STABLECOIN ISSUER.—

15 (A) SUBMISSION OF REPORTS.—Each Fed-  
 16 eral qualified nonbank payment stablecoin  
 17 issuer shall, upon request, submit reports to the  
 18 Comptroller as to—

19 (i) the financial condition of the Fed-  
 20 eral qualified nonbank payment stablecoin  
 21 issuer;

22 (ii) the systems of the Federal quali-  
 23 fied nonbank payment stablecoin issuer for  
 24 monitoring and controlling financial and  
 25 operating risks; and

1 (iii) compliance with this Act and reg-  
2 ulations issued pursuant to this Act by the  
3 Federal qualified nonbank payment  
4 stablecoin issuer.

5 (B) EXAMINATIONS.—The Comptroller  
6 may examine a Federal qualified nonbank pay-  
7 ment stablecoin issuer in order to inform the  
8 Comptroller of—

9 (i) the nature of the operations and fi-  
10 nancial condition of the Federal qualified  
11 nonbank payment stablecoin issuer;

12 (ii) the financial, operational, and  
13 other risks within the Federal qualified  
14 nonbank payment stablecoin issuer that  
15 may pose a threat to—

16 (I) the safety and soundness of  
17 the Federal qualified nonbank pay-  
18 ment stablecoin issuer; or

19 (II) the stability of the financial  
20 system of the United States;

21 (iii) the systems of the Federal quali-  
22 fied nonbank payment stablecoin issuer for  
23 monitoring and controlling the risks de-  
24 scribed in clause (ii);

1 (iv) the compliance of the Federal  
2 qualified nonbank payment stablecoin  
3 issuer with this Act and regulations issued  
4 pursuant to this Act; and

5 (v) the compliance of the Federal  
6 qualified nonbank payment stablecoin  
7 issuer with the requirements of the Bank  
8 Secrecy Act and laws authorizing the im-  
9 position of sanctions and implemented by  
10 the Secretary of the Treasury.

11 (C) REQUIREMENTS FOR EFFICIENCY.—In  
12 supervising and examining a Federal qualified  
13 nonbank payment stablecoin issuer, the Comp-  
14 troller shall, to the fullest extent possible, use  
15 existing reports and other supervisory informa-  
16 tion.

17 (D) AVOIDANCE OF DUPLICATION.—The  
18 Comptroller shall, to the fullest extent possible,  
19 avoid duplication of examination activities, re-  
20 porting requirements, and requests for informa-  
21 tion in carrying out this Act with respect to a  
22 Federal qualified nonbank payment stablecoin  
23 issuer.

24 (E) GRAMM-LEACH-BLILEY ACT.—For  
25 purposes of title V of the Gramm-Leach-Bliley

1 Act (15 U.S.C. 6801 et seq.) each Federal  
2 qualified nonbank payment stablecoin issuer  
3 shall be deemed a financial institution.

4 (b) ENFORCEMENT.—

5 (1) SUSPENSION OR REVOCATION OF REGISTRA-  
6 TION.—The primary Federal payment stablecoin  
7 regulator may prohibit a permitted payment  
8 stablecoin issuer from issuing payment stablecoins, if  
9 the primary Federal payment stablecoin regulator  
10 determines that such permitted payment stablecoin  
11 issuer, or an institution-affiliated party of the per-  
12 mitted payment stablecoin issuer, is—

13 (A) materially violating or has materially  
14 violated this Act or any regulation or order  
15 issued under this Act, including the issuer's ob-  
16 ligations under the section 4(a)(6); or

17 (B) materially violating or has materially  
18 violated any condition imposed in writing by the  
19 primary Federal payment stablecoin regulator  
20 in connection with a written agreement entered  
21 into between the permitted payment stablecoin  
22 issuer and the primary Federal payment  
23 stablecoin regulator.

24 (2) CEASE-AND-DESIST PROCEEDINGS.—If the  
25 primary Federal payment stablecoin regulator has

1 reasonable cause to believe that a permitted payment  
2 stablecoin issuer or any institution-affiliated party of  
3 a permitted payment stablecoin issuer is violating,  
4 has violated, or is attempting to violate this Act, any  
5 regulation or order issued under this Act, or any  
6 written agreement entered into with the primary  
7 Federal payment stablecoin regulator or condition  
8 imposed in writing by the primary Federal payment  
9 stablecoin regulator in connection with any applica-  
10 tion or other request, the primary Federal payment  
11 stablecoin regulator may order the permitted pay-  
12 ment stablecoin issuer or institution-affiliated party  
13 of the permitted payment stablecoin issuer to—

14 (A) cease and desist from such violation or  
15 practice; or

16 (B) take affirmative action to correct the  
17 conditions resulting from any such violation or  
18 practice.

19 (3) REMOVAL AND PROHIBITION AUTHORITY.—

20 The primary Federal payment stablecoin regulator  
21 may remove an institution-affiliated party of a per-  
22 mitted payment stablecoin issuer from their position  
23 or office or prohibit further participation in the af-  
24 fairs of the permitted payment stablecoin issuer or  
25 all permitted payment stablecoin issuers by such in-

stitution-affiliated party, if the primary Federal payment stablecoin regulator determines that—

(A) the institution-affiliated party has, directly or indirectly, committed a violation or attempted violation of this Act or any regulation or order issued under this Act; or

(B) the institution-affiliated party has committed a violation of any provision of subchapter II of chapter 53 of title 31, United States Code.

(4) PROCEDURES.—

(A) IN GENERAL.—If the primary Federal payment stablecoin regulator identifies a violation or attempted violation of this Act or makes a determination under paragraph (1), (2), or (3), the primary Federal payment stablecoin regulator shall comply with the procedures set forth, as applicable, in—

(i) subsections (b) and (e) of sections 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818); or

(ii) subsections (e) and (g) of section 206 of the Federal Credit Union Act (12 U.S.C. 1786).



1 (B) JUDICIAL REVIEW.—A person ag-  
2 grieved by a final action under this subsection  
3 may obtain judicial review of such action exclu-  
4 sively as provided, as applicable, in—

5 (i) section 8(h) of the Federal Deposit  
6 Insurance Act (12 U.S.C. 1818(h)); or

7 (ii) section 206(j) of the Federal  
8 Credit Union Act (12 U.S.C. 1786(j)).

9 (C) INJUNCTION.—The primary Federal  
10 payment stablecoin regulator may, in the dis-  
11 cretion of the regulator, follow the procedures  
12 for judicial enforcement of any effective and  
13 outstanding notice or order issued under this  
14 subsection provided, as applicable, in—

15 (i) section 8(i)(1) of the Federal De-  
16 posit Insurance Act (12 U.S.C.  
17 1818(i)(1)); or

18 (ii) section 206(k)(1) of the Federal  
19 Credit Union Act (12 U.S.C. 1786(k)(1)).

20 (D) TEMPORARY CEASE-AND-DESIST PRO-  
21 CEEDINGS.—If the primary Federal payment  
22 stablecoin regulator determines that a violation  
23 or attempted violation of this Act or an action  
24 with respect to which a determination was made  
25 under paragraph (1), (2), or (3), or the con-

1           tinuation thereof, is likely to cause insolvency or  
2           significant dissipation of assets or earnings of a  
3           permitted payment stablecoin issuer, or is likely  
4           to weaken the condition of the permitted pay-  
5           ment stablecoin issuer or otherwise prejudice  
6           the interests of the customers of the permitted  
7           payment stablecoin issuer prior to the comple-  
8           tion of the proceedings conducted under this  
9           paragraph, the primary Federal payment  
10          stablecoin regulator may follow the procedures  
11          provided, as applicable, in—

12                   (i) section 8(c) of the Federal Deposit  
13                   Insurance Act (12 U.S.C. 1818(c)) to issue  
14                   a temporary cease-and-desist order; or

15                   (ii) section 206(f) of the Federal  
16                   Credit Union Act (12 U.S.C. 1786(f)) to  
17                   issue a temporary cease-and-desist order.

18          (5) CIVIL MONEY PENALTIES.—

19                   (A) FAILURE TO BE APPROVED.—Any per-  
20                   son who issues a payment stablecoin and who is  
21                   not a permitted payment stablecoin issuer, and  
22                   any institution-affiliated party of such a person  
23                   who knowingly participates in issuing such a  
24                   payment stablecoin, shall be liable for a civil  
25                   penalty of not more than \$100,000 for each day

1 during which such payment stablecoins are out-  
2 standing.

3 (B) FIRST TIER.—Except as provided in  
4 subparagraph (A), a permitted payment  
5 stablecoin issuer or institution-affiliated party  
6 of such permitted payment stablecoin issuer  
7 that materially violates this Act or any regula-  
8 tion or order issued under this Act, or that ma-  
9 terially violates any condition imposed in writ-  
10 ing by the primary Federal payment stablecoin  
11 regulator in connection with a written agree-  
12 ment entered into between the permitted pay-  
13 ment stablecoin issuer and the primary Federal  
14 payment stablecoin regulator, shall be liable for  
15 a civil penalty of up to \$100,000 for each day  
16 during which the violation continues.

17 (C) SECOND TIER.—Except as provided in  
18 subparagraph (A), and in addition to the pen-  
19 alties described under subparagraph (B), a per-  
20 mitted payment stablecoin issuer or institution-  
21 affiliated party of such permitted payment  
22 stablecoin issuer who knowingly participates in  
23 a violation of any provision of this Act, or any  
24 regulation or order issued thereunder, is liable  
25 for a civil penalty of up to an additional

1           \$100,000 for each day during which the viola-  
2           tion continues.

3           (D) PROCEDURE.—Any penalty imposed  
4           under this paragraph may be assessed and col-  
5           lected by the primary Federal payment  
6           stablecoin regulator pursuant to the procedures  
7           set forth, as applicable, in—

8                     (i) section 8(i)(2) of the Federal De-  
9                     posit Insurance Act (12 U.S.C.  
10                    1818(i)(2)); or

11                    (ii) section 206(k)(2) of the Federal  
12                    Credit Union Act (12 U.S.C. 1786(k)(2)).

13           (E) NOTICE AND ORDERS AFTER SEPARA-  
14           TION FROM SERVICE.—The resignation, termi-  
15           nation of employment or participation, or sepa-  
16           ration of an institution-affiliated party (includ-  
17           ing a separation caused by the closing of a per-  
18           mitted payment stablecoin issuer) shall not af-  
19           fect the jurisdiction and authority of the pri-  
20           mary Federal payment stablecoin regulator to  
21           issue any notice or order and proceed under  
22           this subsection against any such party, if such  
23           notice or order is served before the end of the  
24           6-year period beginning on the date such party  
25           ceased to be an institution-affiliated party with

1           respect to such permitted payment stablecoin  
2           issuer.

3           (6) NON-APPLICABILITY TO A STATE QUALI-  
4           FIED PAYMENT STABLECOIN ISSUER.—This sub-  
5           section shall not apply to a State qualified payment  
6           stablecoin issuer, except as described in section 7(e).

7           (c) SHARING OF INFORMATION.—A State payment  
8           stablecoin regulator and the primary Federal payment  
9           stablecoin regulator shall share information on an ongoing  
10          basis with respect to a permitted payment stablecoin  
11          issuer that is a subsidiary of a State-chartered insured de-  
12          pository institution.

13       **SEC. 7. STATE QUALIFIED PAYMENT STABLECOIN ISSUERS.**

14          (a) IN GENERAL.—With respect to a State, a State  
15          payment stablecoin regulator shall have supervisory, ex-  
16          amination, and enforcement authority over a State quali-  
17          fied payment stablecoin issuer of such State.

18          (b) AUTHORITY TO ENTER INTO AGREEMENTS.—

19               (1) IN GENERAL.—A State payment stablecoin  
20          regulator may enter into a memorandum of under-  
21          standing with the primary Federal banking agency  
22          and Comptroller setting out the manner in which the  
23          primary Federal banking agency and Comptroller  
24          may participate in the supervision, examination, and

1 enforcement authority with respect to the State  
2 qualified payment stablecoin issuers of such State.

3 (2) RULE OF CONSTRUCTION.—Nothing in this  
4 subsection or a memorandum entered into under this  
5 subsection may be construed to limit the authority  
6 of the primary Federal banking agency or Comp-  
7 troller under subsection (e) or any other provision of  
8 law.

9 (c) SHARING OF INFORMATION.—

10 (1) IN GENERAL.—A State payment stablecoin  
11 regulator and, as applicable, the Comptroller, the  
12 Board, the Corporation, or the National Credit  
13 Union Administration shall share information on an  
14 ongoing basis with respect to each State qualified  
15 payment stablecoin issuer of such State, including a  
16 copy of all initial applications and any accompanying  
17 documents.

18 (2) PRIVILEGES NOT AFFECTED BY SHARING  
19 OF INFORMATION.—The sharing of information  
20 under paragraph (1) shall not be construed as  
21 waiving, destroying, or otherwise affecting any privi-  
22 lege applicable to such information under Federal or  
23 State law as to any person or entity other than the  
24 State payment stablecoin regulator, the Comptroller,

1 the Board, the Corporation, and the National Credit  
2 Union Administration.

3 (d) RULEMAKING.—A State payment stablecoin regu-  
4 lator may, to the same extent as the primary Federal pay-  
5 ment stablecoin regulators issue orders and rules under  
6 section 4 applicable to a permitted payment stablecoin  
7 issuer that is not a State qualified payment stablecoin  
8 issuer, issue orders and rules related to the requirements  
9 under section 4 applicable to State qualified payment  
10 stablecoin issuers.

11 (e) BACK-UP ENFORCEMENT AUTHORITY.—

12 (1) BY THE PRIMARY FEDERAL BANKING AGEN-  
13 CY.—

14 (A) IN GENERAL.—Subject to subpara-  
15 graph (C), the primary Federal banking agency  
16 may, after not less than 48 hours prior written  
17 notice to any applicable State payment  
18 stablecoin regulator, take an enforcement action  
19 against a State qualified payment stablecoin  
20 issuer that is a subsidiary of an insured deposi-  
21 tory institution or an institution-affiliated party  
22 thereof for violations of this Act if—

23 (i) the applicable State payment  
24 stablecoin regulator has not commenced an

1 enforcement action to correct such viola-  
2 tion; and

3 (ii) failure to take such action would  
4 create a material risk of loss to holders of  
5 such issuer's stablecoins or create a mate-  
6 rial threat to U.S. financial stability.

7 (B) RULEMAKING.—Not later than the end  
8 of the 180-day period beginning on the date of  
9 enactment of this Act, the primary Federal  
10 banking agencies shall issue rules to set forth  
11 the standards that would be used by the pri-  
12 mary Federal bank agencies to exercise the  
13 back-up authority under this paragraph.

14 (C) BACK-UP AUTHORITY UNDER SECTION  
15 6(b).—Solely for purposes of carrying out this  
16 paragraph, section 6(b) shall apply to a State  
17 qualified payment stablecoin issuer that is a  
18 subsidiary of an insured depository institution  
19 as if the primary Federal banking agency were  
20 the primary Federal payment stablecoin regu-  
21 lator with respect to the State qualified pay-  
22 ment stablecoin issuer.

23 (D) PRIMARY FEDERAL BANKING AGENCY  
24 DEFINED.—In this section—



1 (i) the term “primary Federal bank-  
2 ing agency” means—

3 (I) the appropriate Federal bank-  
4 ing agency; and

5 (II) the National Credit Union  
6 Administration, in the case of an in-  
7 sured credit union; and

8 (ii) the term “primary Federal bank-  
9 ing agencies” means the Board, the Comp-  
10 troller, the Corporation, and the National  
11 Credit Union Administration.

12 (2) BY THE COMPTROLLER.—

13 (A) IN GENERAL.—Subject to subpara-  
14 graph (C), the Comptroller may, after not less  
15 than 48 hours prior written notice to any appli-  
16 cable State payment stablecoin regulator, take  
17 an enforcement action against a State qualified  
18 payment stablecoin issuer that is a nonbank en-  
19 tity or an institution-affiliated party thereof for  
20 violations of this Act if—

21 (i) the applicable State payment  
22 stablecoin regulator has not commenced an  
23 enforcement action to correct such viola-  
24 tion; and

1 (ii) failure to take such action would  
2 create a material risk of loss to holders of  
3 such issuer's stablecoins or create a mate-  
4 rial threat to U.S. financial stability.

5 (B) RULEMAKING.—Not later than the end  
6 of the 180-day period beginning on the date of  
7 enactment of this Act, the Comptroller shall  
8 issue rules to set forth the standards that would  
9 be used by the Comptroller to exercise the back-  
10 up authority under this paragraph.

11 (C) BACK-UP AUTHORITY UNDER SECTION  
12 6(b).—Solely for purposes of carrying out this  
13 paragraph, section 6(b) shall apply to a State  
14 qualified payment stablecoin issuer that is a  
15 nonbank entity as if the Comptroller were the  
16 primary Federal payment stablecoin regulator  
17 with respect to the State qualified payment  
18 stablecoin issuer.

19 (f) GRAMM-LEACH-BLILEY ACT.—For purposes of  
20 title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801  
21 et seq.) a State qualified payment stablecoin issuer is  
22 deemed a financial institution.

23 (g) INTERSTATE PAYMENT STABLECOIN MARKET.—

24 (1) DEFINITIONS.—For the purposes of this  
25 subsection—

1 (A) the term “home State” means the  
2 State of a State qualified payment stablecoin  
3 issuer’s State payment stablecoin regulator; and

4 (B) the term “host State” means a State  
5 other than that of the State qualified payment  
6 stablecoin issuer’s State payment stablecoin  
7 regulator.

8 (2) AUTHORITY TO ISSUE PAYMENT  
9 STABLECOINS IN HOST STATES.—Subject to the re-  
10 quirements of paragraph (3), a State qualified pay-  
11 ment stablecoin issuer may issue payment  
12 stablecoins in a host State without a charter or li-  
13 cense to issue payment stablecoins from such host  
14 State.

15 (3) STATE OBLIGATIONS.—Where a State quali-  
16 fied payment stablecoin issuer issues a payment  
17 stablecoin in a host State pursuant to paragraph  
18 (2)—

19 (A) such State qualified payment  
20 stablecoin issuer shall notify any State payment  
21 stablecoin regulator in such host State of the  
22 issuer’s intention to do business in the host  
23 State no less than 30 days before such issuer  
24 commences business in the host State and in a  
25 manner prescribed by the host State’s State

1 payment stablecoin regulator or State banking  
2 regulator if such State does not have a regime  
3 certified under section 4(b), provided that such  
4 notice does not impose a de facto licensure or  
5 chartering requirement on such State qualified  
6 payment stablecoin issuer;

7 (B) such State qualified payment  
8 stablecoin issuer shall comply with all require-  
9 ments of the issuer's home State regulatory re-  
10 gime when conducting business in the host  
11 State, and where the host State maintains a  
12 payment stablecoin regulatory regime that is  
13 certified under section 4(b), such issuer shall  
14 comply with any obligations of the host State's  
15 payment stablecoin regulatory regime that ex-  
16 ceed those of such issuer's home State regu-  
17 latory regime;

18 (C) where the host State does not maintain  
19 a payment stablecoin regulatory regime that is  
20 certified under section 4(b), such State quali-  
21 fied payment stablecoin issuer shall remain sub-  
22 ject to all applicable consumer protection laws  
23 of such host State; and

24 (D) where the host State maintains a pay-  
25 ment stablecoin regulatory regime that is cer-

1           tified under section 4(b), such State qualified  
2           payment stablecoin issuer shall remain subject  
3           to applicable consumer protection laws of such  
4           host State, but only to the same extent as State  
5           qualified payment stablecoin issuers chartered  
6           or licensed in that host State.

7   **SEC. 8. CUSTOMER PROTECTION.**

8           (a) IN GENERAL.—A person may only engage in the  
9   business of providing custodial or safekeeping services for  
10   permitted payment stablecoins, reserves described in sec-  
11   tion 4(a)(1)(A), or private keys of permitted payment  
12   stablecoins, if the person—

13           (1) is subject to—

14                   (A) supervision or regulation by a primary  
15           Federal payment stablecoin regulator or a pri-  
16           mary financial regulatory agency described  
17           under subparagraph (B) or (C) of section 2(12)  
18           of the Dodd-Frank Wall Street Reform and  
19           Consumer Protection Act (12 U.S.C.  
20           5301(12)); or

21                   (B) supervision by a State bank super-  
22           visor, as defined in section 3 of the Federal De-  
23           posit Insurance Act (12 U.S.C. 1813) or a  
24           State credit union supervisor, as defined in sec-  
25           tion 6003 of the Anti-Money Laundering Act of

1           2020 (31 U.S.C. 5311 note), and such State  
2           bank supervisor or State credit union supervisor  
3           makes available to the Board such information  
4           as the Board determines necessary and relevant  
5           to the categories of information under sub-  
6           section (d); and

7           (2) complies with the segregation requirements  
8           under subsections (b), (c), and (d), unless such per-  
9           son complies with similar requirements as required  
10          by the Board, the Comptroller, the Corporation, the  
11          Securities and Exchange Commission, or the Com-  
12          modity Futures Trading Commission, as applicable.

13          (b) CUSTOMER PROPERTY REQUIREMENTS.—A per-  
14          son described in subsection (a) shall—

15               (1) treat and deal with the payment stablecoins,  
16               private keys, cash, and other property of another  
17               person for whom or on whose behalf the person re-  
18               ceives, acquires, or holds payment stablecoins, pri-  
19               vate keys, cash, and other property (hereinafter in  
20               this section referred to as the “customer”) as be-  
21               longing to such customer and not as the property of  
22               such person; and

23               (2) take such steps as are appropriate to pro-  
24               tect the payment stablecoins, private keys, cash, and

1 other property of a customer from the claims of  
2 creditors of the person.

3 (c) COMMINGLING PROHIBITED.—

4 (1) IN GENERAL.—Payment stablecoins, cash,  
5 and other property of a customer shall be separately  
6 accounted for by a person described in subsection  
7 (a) and shall not be commingled with the funds of  
8 the person.

9 (2) CUSTOMER PRIORITY.—The claims of a cus-  
10 tomer with respect to property of the customer shall  
11 have priority over the claims of a payment stablecoin  
12 issuer or any creditor of a payment stablecoin issuer  
13 unless the customer expressly consents otherwise.

14 (3) EXCEPTION.—Notwithstanding paragraph  
15 (1)—

16 (A) the payment stablecoins, cash, and  
17 other property of a customer may be commin-  
18 gled and deposited in an omnibus account hold-  
19 ing the payment stablecoins, cash, and other  
20 property of more than 1 customer at an insured  
21 depository institution or trust company;

22 (B) such share of the payment stablecoins,  
23 cash, and other property of the customer that  
24 shall be necessary to transfer, adjust, or settle  
25 a transaction or transfer of assets may be with-

1 drawn and applied to such purposes, including  
2 the payment of commissions, taxes, storage,  
3 and other charges lawfully accruing in connec-  
4 tion with the provision of services by a person  
5 described in subsection (a); and

6 (C) in accordance with such terms and  
7 conditions as the Board may prescribe by rule,  
8 regulation, or order, any customer payment  
9 stablecoin, cash, and other property described  
10 in this subsection may be commingled and de-  
11 posited in customer accounts with payment  
12 stablecoins, cash, and other property received  
13 by the person and required by the Board to be  
14 separately accounted for, treated, and dealt  
15 with as belonging to customers.

16 (d) REGULATORY INFORMATION.—A person de-  
17 scribed under subsection (a) shall submit to the primary  
18 Federal payment stablecoin regulator (or, if the person  
19 does not have a primary Federal payment stablecoin regu-  
20 lator, to the Board) information concerning the person's  
21 business operations and processes to protect customer  
22 payment stablecoins, cash, and other property, in such  
23 form and manner as the primary Federal payment  
24 stablecoin regulator (or, if the person does not have a pri-



1 mary Federal payment stablecoin regulator, the Board)  
2 shall determine.

3 (e) EXCLUSION.—The requirements of this section  
4 shall not apply to any person solely on the basis that such  
5 person engages in the business of providing hardware or  
6 software to facilitate a customer’s own custody or safe-  
7 keeping of the customer’s payment stablecoins or private  
8 keys.

9 **SEC. 9. RULE OF CONSTRUCTION.**

10 A digital asset shall not be construed to be a payment  
11 stablecoin, if it is—

12 (1) redeemable by the issuer exclusively for  
13 other digital assets, provided that such digital assets  
14 for which it is redeemable are not primarily—

15 (A) payment stablecoins; or

16 (B) representations of permissible reserves  
17 described under section 4(a)(1)(A) or similar  
18 such assets; or

19 (2) primarily used within a system controlled by  
20 such digital asset’s issuer as a means of accessing  
21 products, services, or loyalty rewards.

22 **SEC. 10. INTEROPERABILITY STANDARDS.**

23 (a) IN GENERAL.—The primary Federal payment  
24 stablecoin regulators, in consultation with the National In-

stitute of Standards and Technology, other relevant standard setting organizations, and State governments—

(1) shall assess compatibility and interoperability standards for permitted payment stablecoin issuers; and

(2) if necessary, may, pursuant to section 553 of title 5 and in a manner consistent with the National Technology Transfer and Advancement Act of 1995 (Public Law 104–113), prescribe standards for payment stablecoin issuers to promote compatibility and interoperability.

(b) AGREEMENTS WITH FOREIGN REGULATORS.—The Secretary of the Treasury shall seek to enter into agreements with foreign jurisdictions with comparable payment stablecoin regulatory regimes to facilitate international transactions and interoperability with any United States dollar-denominated payment stablecoins issued overseas.

**SEC. 11. MORATORIUM ON ENDOGENOUSLY COLLATERALIZED STABLECOINS.**

(a) MORATORIUM.—During the 2-year period beginning on the date of enactment of this Act, it shall be unlawful to issue an endogenously collateralized stablecoin not in existence on the date of enactment of this Act.

1 (b) ENDOGENOUSLY COLLATERALIZED STABLECOIN  
2 DEFINED.—In this section, the term “endogenously  
3 collateralized stablecoin” means any digital asset—

4 (1) in which its issuer has represented will be  
5 converted, redeemed, or repurchased for a fixed  
6 amount of monetary value; and

7 (2) that relies solely on the value of another  
8 digital asset created or maintained by the same  
9 originator to maintain the fixed price.

10 **SEC. 12. STUDIES AND REPORTS.**

11 (a) STUDY BY TREASURY.—The Secretary of the  
12 Treasury, in consultation with the Board, the Comptroller,  
13 the Corporation, the National Credit Union Administra-  
14 tion, and the Securities and Exchange Commission, shall  
15 carry out a study of non-payment stablecoins, including  
16 decentralized stablecoins.

17 (b) REPORT.—Not later than 365 days after the date  
18 of the enactment of this Act, the Secretary shall provide  
19 to the Committee on Financial Services of the House of  
20 Representatives and the Committee on Banking, Housing,  
21 and Urban Affairs of the Senate a report that contains  
22 all findings made in carrying out the study under sub-  
23 section (a), including an analysis of—

1           (1) the categories of non-payment stablecoins,  
2           including the benefits and risks of technological de-  
3           sign features;

4           (2) the participants in non-payment stablecoin  
5           arrangements;

6           (3) utilization and potential utilization of non-  
7           payment stablecoins;

8           (4) nature of reserve compositions;

9           (5) governance structure, including aspects of  
10          decentralization;

11          (6) nature of public promotion and advertising;  
12          and

13          (7) clarity and availability of consumer notices  
14          disclosures.

15 **SEC. 13. REPORT ON RULEMAKING STATUS.**

16          Not later than 6 months after the date of enactment  
17          of this Act, the primary Federal payment stablecoin regu-  
18          lators shall provide a status update on the development  
19          of the rulemaking under this Act to the Committee on Fi-  
20          nancial Services of the House of Representatives and the  
21          Committee on Banking, Housing, and Urban Affairs of  
22          the Senate.

23 **SEC. 14. AUTHORITY OF BANKING INSTITUTIONS.**

24          (a) **RULE OF CONSTRUCTION.**—Nothing in this Act  
25          may be construed to limit the authority of a depository

1 institution, Federal credit union, State credit union, or  
2 trust company to engage in activities permissible pursuant  
3 to applicable State and Federal law, including—

4 (1) accepting or receiving deposits and issuing  
5 digital assets that represent deposits;

6 (2) utilizing a distributed ledger for the books  
7 and records of the entity and to affect intrabank  
8 transfers; and

9 (3) providing custodial services for payment  
10 stablecoins, private keys of payment stablecoins, or  
11 reserves backing payment stablecoins.

12 (b) REGULATORY REVIEW.—The primary Federal  
13 payment stablecoin regulators shall review all existing reg-  
14 ulations and guidance and, if necessary, amend such regu-  
15 lations or guidance or issue new regulations or guidance  
16 to clarify that regulated entities can engage in the pay-  
17 ment stablecoin activities contemplated in, and in accord-  
18 ance with, this Act.

19 (c) TREATMENT OF CUSTODY ACTIVITIES.—The ap-  
20 propriate Federal banking agency, the National Credit  
21 Union Administration (in the case of a credit union), and  
22 the Securities and Exchange Commission may not require  
23 a depository institution, national bank, Federal credit  
24 union, State credit union, or trust company, or any affil-  
25 iate thereof (the “entity”)—

1           (1) to include assets held in custody that are  
2           not owned by the entity as a liability on the financial  
3           statement or balance sheet of the entity, including  
4           payment stablecoin custody or safekeeping activities;

5           (2) to hold additional regulatory capital against  
6           assets in custody or safekeeping, except as necessary  
7           to mitigate against operational risks inherent with  
8           the custody or safekeeping services, as determined  
9           by—

10                   (A) the appropriate Federal banking agen-  
11                   cy;

12                   (B) the National Credit Union Administra-  
13                   tion (in the case of a credit union);

14                   (C) a State bank supervisor (as defined in  
15                   section 3 of the Federal Deposit Insurance Act  
16                   (12 U.S.C. 1813)); or

17                   (D) a State credit union supervisor (as de-  
18                   fined in section 6003 of the Anti-Money Laun-  
19                   dering Act of 2020 (31 U.S.C. 5311 note));

20           (3) to recognize a liability for any obligations  
21           related to activities or services performed for digital  
22           assets that the entity does not own if that liability  
23           would exceed the expense recognized in the income  
24           statement as a result of the corresponding obliga-  
25           tion.

1 (d) DEPOSITORY INSTITUTION DEFINED.—In this  
 2 section, the term “depository institution” has the meaning  
 3 given that term in section 3 of the Federal Deposit Insur-  
 4 ance Act (12 U.S.C. 1813).

5 **SEC. 15. AMENDMENTS TO CLARIFY THAT PAYMENT**  
 6 **STABLECOINS ARE NOT SECURITIES.**

7 (a) INVESTMENT ADVISERS ACT OF 1940.—Section  
 8 202(a)(18) of the Investment Advisers Act of 1940 (15  
 9 U.S.C. 80b–2(a)(18)) is amended by adding at the end  
 10 the following: “The term ‘security’ does not include a pay-  
 11 ment stablecoin issued by a permitted payment stablecoin  
 12 issuer, as such terms are defined, respectively, in section  
 13 2 of the STABLE Act of 2025.”.

14 (b) INVESTMENT COMPANY ACT OF 1940.—The In-  
 15 vestment Company Act of 1940 is amended—

16 (1) in section 2(a)(36) (15 U.S.C. 80a–  
 17 2(a)(36)), by adding at the end the following: “The  
 18 term ‘security’ does not include a payment stablecoin  
 19 issued by a permitted payment stablecoin issuer, as  
 20 such terms are defined, respectively, in section 2 of  
 21 the STABLE Act of 2025.”; and

22 (2) in section 3(c) (15 U.S.C. 80a–3(c)), by  
 23 adding at the end the following:

1           “(15) Any permitted payment stablecoin issuer,  
2           as such term is defined in section 2 of the STABLE  
3           Act of 2025.”.

4           (c) SECURITIES ACT OF 1933.—Section 2(a)(1) of  
5           the Securities Act of 1933 (15 U.S.C. 77b(a)(1)) is  
6           amended by adding at the end the following: “The term  
7           ‘security’ does not include a payment stablecoin issued by  
8           a permitted payment stablecoin issuer, as such terms are  
9           defined, respectively, in section 2 of the STABLE Act of  
10          2025.”.

11          (d) SECURITIES EXCHANGE ACT OF 1934.—Section  
12          3(a)(10) of the Securities Exchange Act of 1934 (15  
13          U.S.C. 78c(a)(10)) is amended by adding at the end the  
14          following: “The term ‘security’ does not include a payment  
15          stablecoin issued by a permitted payment stablecoin  
16          issuer, as such terms are defined, respectively, in section  
17          2 of the STABLE Act of 2025.”.

18          (e) SECURITIES INVESTOR PROTECTION ACT OF  
19          1970.—Section 16(14) of the Securities Investor Protec-  
20          tion Act of 1970 (15 U.S.C. 78lll(14)) is amended by add-  
21          ing at the end the following: “The term ‘security’ does  
22          not include a payment stablecoin issued by a permitted  
23          payment stablecoin issuer, as such terms are defined, re-  
24          spectively, in section 2 of the STABLE Act of 2025.”.

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