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119TH CONGRESS
1ST SESSION

H. R. 2392

[Report No. 119–94]

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2025

Mr. STEIL (for himself, Mr. HILL of Arkansas, Mr. TORRES of New York, Mr. EMMER, Mr. HUIZENG, 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

MAY 6, 2025

Additional sponsors: Mr. TIMMONS, Mr. LAWLER, Mr. NUNN of Iowa, Mr. ROSE, Mr. STUTZMAN, and Mr. THANEDAR

MAY 6, 2025

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on March 26, 2025]

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 Transparency*
 5 *and Accountability for a Better Ledger Economy Act of*
 6 *2025” or the “STABLE Act of 2025”.*

7 **SEC. 2. DEFINITIONS.**

8 *In this Act:*

9 (1) *APPROPRIATE FEDERAL BANKING AGENCY.*—

10 *The term “appropriate Federal banking agency” has*
 11 *the meaning given that term under section 3 of the*
 12 *Federal Deposit Insurance Act (12 U.S.C. 1813).*

13 (2) *BANK SECRECY ACT.*—*The term “Bank Se-*
 14 *crecy Act” means—*

15 (A) *section 21 of the Federal Deposit Insur-*
 16 *ance Act (12 U.S.C. 1829b);*

17 (B) *chapter 2 of title I of Public Law 91–*
 18 *508 (12 U.S.C. 1951 et seq.); and*

19 (C) *subchapter II of chapter 53 of title 31,*
 20 *United States Code.*

21 (3) *BOARD.*—*The term “Board” means the*
 22 *Board of Governors of the Federal Reserve System.*

23 (4) *COMPTROLLER.*—*The term “Comptroller”*
 24 *means the Comptroller of the Currency.*

1 (5) *CORPORATION.*—*The term “Corporation”*
 2 *means the Federal Deposit Insurance Corporation.*

3 (6) *CREDIT UNION TERMS.*—*The terms “Federal*
 4 *credit union”, “insured credit union”, and “State*
 5 *credit union” have the meanings given those terms,*
 6 *respectively, in section 101 of the Federal Credit*
 7 *Union Act (12 U.S.C. 1752).*

8 (7) *DIGITAL ASSET.*—*The term “digital asset”*
 9 *means any digital representation of value which is re-*
 10 *corded on a cryptographically-secured distributed*
 11 *ledger.*

12 (8) *DISTRIBUTED LEDGER.*—*The term “distrib-*
 13 *uted ledger” means technology where data is shared*
 14 *across a network that creates a public digital ledger*
 15 *of verified transactions or information among net-*
 16 *work participants and the data is linked using cryp-*
 17 *tography to maintain the integrity of the public dig-*
 18 *ital ledger and execute other functions.*

19 (9) *FEDERAL QUALIFIED NONBANK PAYMENT*
 20 *STABLECOIN ISSUER.*—*The term “Federal qualified*
 21 *nonbank payment stablecoin issuer” means a sub-*
 22 *sidary of a nonbank entity approved by the primary*
 23 *Federal payment stablecoin regulator, pursuant to*
 24 *section 5, to issue payment stablecoins.*

1 (10) *INSTITUTION-AFFILIATED PARTY*.—With re-
 2 spect to a permitted payment stablecoin issuer, the
 3 term “institution-affiliated party” means any direc-
 4 tor, officer, employee, or person in control of, or agent
 5 for, the permitted payment stablecoin issuer.

6 (11) *INSURED DEPOSITORY INSTITUTION*.—The
 7 term “insured depository institution” means—

8 (A) an insured depository institution, as
 9 defined in section 3 of the Federal Deposit Insur-
 10 ance Act (12 U.S.C. 1813); and

11 (B) an insured credit union.

12 (12) *MONETARY VALUE*.—The term “monetary
 13 value”—

14 (A) means—

15 (i) a national currency;

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

20 (iii) an account (as defined in section
 21 101 of the Federal Credit Union Act (12
 22 U.S.C. 1752)); and

23 (B) does not include any agricultural or
 24 other physical commodity (as defined in section

1 *1a of the Commodity Exchange Act (7 U.S.C.*
2 *1a)).*

3 (13) *NATIONAL CURRENCY.*—*The term “national*
4 *currency” means a Federal Reserve note (as the term*
5 *is used in the first undesignated paragraph of section*
6 *16 of the Federal Reserve Act (12 U.S.C. 411)),*
7 *money standing to the credit of an account with a*
8 *Federal reserve bank, money issued by a central bank,*
9 *and money issued by an intergovernmental organiza-*
10 *tion pursuant to an agreement by one or more gov-*
11 *ernments.*

12 (14) *NONBANK ENTITY.*—*The term “nonbank en-*
13 *tity” means a person that is not an insured deposi-*
14 *tory institution or subsidiary of an insured deposi-*
15 *tory institution.*

16 (15) *PAYMENT STABLECOIN.*—*The term “pay-*
17 *ment stablecoin” means a digital asset—*

18 (A) *that is or is designed to be used as a*
19 *means of payment or settlement;*

20 (B) *that is denominated in a national cur-*
21 *rency;*

22 (C) *the issuer of which—*

23 (i) *is obligated to convert, redeem, or*
24 *repurchase for a fixed amount of monetary*
25 *value; or*

1 (ii) represents that the digital asset
2 will maintain or creates the reasonable ex-
3 pectation that the digital asset will main-
4 tain a stable value relative to the value of
5 a fixed amount of monetary value; and

6 (D) that is not—

7 (i) a national currency;

8 (ii) a security issued by—

9 (I) an investment company reg-
10 istered under section 8(a) of the Invest-
11 ment Company Act of 1940 (15 U.S.C.
12 80a–8(a)); or

13 (II) a person that would be an in-
14 vestment company under the Invest-
15 ment Company Act of 1940 but for
16 paragraphs (1) and (7) of section 3(c)
17 of that Act (15 U.S.C. 80a–3(c));

18 (iii) a deposit (as defined under sec-
19 tion 3 of the Federal Deposit Insurance Act
20 (12 U.S.C. 1813)), regardless of the tech-
21 nology used to record such deposit; or

22 (iv) an account (as defined in section
23 101 of the Federal Credit Union Act (12
24 U.S.C. 1752)), regardless of the technology
25 used to record such account.

1 (16) *PERMITTED PAYMENT STABLECOIN*
 2 *ISSUER.—The term “permitted payment stablecoin*
 3 *issuer” means—*

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

7 (B) *a Federal qualified nonbank payment*
 8 *stablecoin issuer; or*

9 (C) *a State qualified payment stablecoin*
 10 *issuer.*

11 (17) *PERSON.—The term “person” means an in-*
 12 *dividual, partnership, company, corporation, associa-*
 13 *tion (incorporated or unincorporated), trust, estate,*
 14 *cooperative organization, or other entity.*

15 (18) *PRIMARY FEDERAL PAYMENT STABLECOIN*
 16 *REGULATOR.—*

17 (A) *IN GENERAL.—The term “primary Fed-*
 18 *eral payment stablecoin regulator” means—*

19 (i) *with respect to an insured deposi-*
 20 *tory institution (other than an insured*
 21 *credit union) or a subsidiary of an insured*
 22 *depository institution (other than an in-*
 23 *surfed credit union), the appropriate Federal*
 24 *banking agency of such insured depository*
 25 *institution;*

1 (ii) with respect to an insured credit
 2 union or a subsidiary of an insured credit
 3 union, the National Credit Union Adminis-
 4 tration;

5 (iii) with respect to a Federal qualified
 6 nonbank payment stablecoin issuer and any
 7 nonbank entity that seeks to have a sub-
 8 sidiary approved as a Federal qualified
 9 nonbank payment stablecoin issuer, the
 10 Comptroller; and

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

13 (B) PRIMARY FEDERAL PAYMENT
 14 STABLECOIN REGULATORS.—The term “primary
 15 Federal payment stablecoin regulators” means
 16 the Comptroller, the Board, the Corporation, and
 17 the National Credit Union Administration.

18 (19) REGISTERED PUBLIC ACCOUNTING FIRM.—
 19 The term “registered public accounting firm” has the
 20 meaning given that term under section 2 of the Sar-
 21 banes-Oxley Act of 2002 (15 U.S.C. 7201).

22 (20) STATE.—The term “State” means each of
 23 the several States, the District of Columbia, and each
 24 territory of the United States.

1 (21) *STATE QUALIFIED PAYMENT STABLECOIN*
 2 *ISSUER.—The term “State qualified payment*
 3 *stablecoin issuer” means an entity that—*

4 (A) *is approved to issue payment*
 5 *stablecoins by a State payment stablecoin regu-*
 6 *lator;*

7 (B) *issues a payment stablecoin in compli-*
 8 *ance with the laws and regulations of a State*
 9 *regulatory regime certified under section 4(b);*
 10 *and*

11 (C) *is not—*

12 (i) *chartered by the Comptroller;*

13 (ii) *a Federal credit union; or*

14 (iii) *a subsidiary of a State credit*
 15 *union that—*

16 (I) *has at least a partial owner-*
 17 *ship interest or loan from a Federal*
 18 *credit union; or*

19 (II) *has at least a partial owner-*
 20 *ship interest or loan from a State cred-*
 21 *it union that is organized in a dif-*
 22 *ferent State than such subsidiary.*

23 (22) *STATE PAYMENT STABLECOIN REGU-*
 24 *LATOR.—The term “State payment stablecoin regu-*
 25 *lator” means—*

1 (A) a State agency that has primary regu-
2 latory and supervisory authority in such State
3 over entities that issue payment stablecoins; and

4 (B) with respect to a State qualified pay-
5 ment stablecoin issuer that is a subsidiary of a
6 State-chartered depository institution (as defined
7 in section 3 of the Federal Deposit Insurance Act
8 (12 U.S.C. 1813)) or a State credit union, the
9 State agency that has primary regulatory and
10 supervisory authority over entities that issue
11 payment stablecoins in the State in which such
12 State-chartered depository institution or State
13 credit union is chartered.

14 (23) *SUBSIDIARY OF AN INSURED CREDIT*
15 *UNION.*—With respect to an insured credit union, the
16 term “subsidiary of an insured credit union”
17 means—

18 (A) an organization providing services to
19 the insured credit union that are associated with
20 the routine operations of credit unions, as de-
21 scribed under section 107(7)(I) of the Federal
22 Credit Union Act (12 U.S.C. 1757(7)(I));

23 (B) a credit union service organization, as
24 such term is used under part 712 of title 12,
25 Code of Federal Regulations, with respect to

1 *which the insured credit union has an ownership*
 2 *interest or to which the insured credit union has*
 3 *extended a loan; and*

4 *(C) any subsidiary of the insured credit*
 5 *union that is a State credit union.*

6 **SEC. 3. LIMITATION ON WHO MAY ISSUE A PAYMENT**
 7 **STABLECOIN.**

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

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

12 *(1) IN GENERAL.—After the end of the 18-month*
 13 *period beginning on the date of enactment of this Act,*
 14 *it shall be unlawful for any custodial intermediary to*
 15 *offer or sell a payment stablecoin in the United States*
 16 *unless the payment stablecoin was issued by a per-*
 17 *mitted payment stablecoin issuer.*

18 *(2) EXCEPTIONS FOR COMPARABLE PAYMENT*
 19 *STABLECOIN REGIMES.—*

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

23 *(i) the payment stablecoin was issued*
 24 *by a foreign payment stablecoin issuer;*

1 (ii) the foreign payment stablecoin
2 issuer is subject to regulation by a foreign
3 payment stablecoin regulator of a nation
4 with a payment stablecoin regulatory re-
5 gime that the Secretary of the Treasury de-
6 termines under subparagraph (B) is com-
7 parable to the requirements under this Act;
8 and

9 (iii) the foreign payment stablecoin
10 issuer consents to be subject to reporting
11 and examination requirements, as deter-
12 mined by—

13 (I) the Comptroller, if the foreign
14 payment stablecoin issuer is a
15 nonbank; or

16 (II) the Board, if the foreign pay-
17 ment stablecoin issuer is a banking in-
18 stitution or subsidiary thereof.

19 (B) DETERMINATION.—With respect to a
20 foreign nation, the Secretary of the Treasury
21 shall determine, upon request of a foreign pay-
22 ment stablecoin issuer, a foreign payment
23 stablecoin regulator, or on the Secretary's own
24 initiative, and in consultation with the Federal
25 payment stablecoin regulators, whether the pay-

1 *ment stablecoin regulatory regime of such nation*
2 *is comparable to the requirements under this Act.*

3 (C) *PUBLIC NOTICE.*—*The Secretary shall*
4 *make the list of nations for which a determina-*
5 *tion has been made under subparagraph (B)*
6 *available to the public, and keep such list cur-*
7 *rent.*

8 (D) *RESCINDING DETERMINATIONS.*—

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

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

1 (3) *PENALTY.*—Any person who violates this sub-
 2 section shall be subject to a civil penalty of not more
 3 than \$100,000 for each day during which such viola-
 4 tion continues.

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

8 (d) *RULE OF CONSTRUCTION.*—This section does not
 9 apply to transactions in digital assets for an individual's
 10 own lawful purposes by means of a software or hardware
 11 wallet that facilitates such individual's own custody of dig-
 12 ital assets.

13 **SEC. 4. REQUIREMENTS FOR ISSUING PAYMENT**
 14 **STABLECOINS.**

15 (a) *STANDARDS FOR THE ISSUANCE OF PAYMENT*
 16 *STABLECOINS.*—

17 (1) *IN GENERAL.*—Each permitted payment
 18 stablecoin issuer shall—

19 (A) maintain reserves backing the issuer's
 20 outstanding payment stablecoins on an at least
 21 1 to 1 basis, with reserves comprising—

22 (i) United States currency (including
 23 Federal reserve notes) or money standing to
 24 the credit of an account with a Federal re-
 25 serve bank;

1 (ii) funds held as demand deposits (or
2 other deposits that may be withdrawn upon
3 request at any time) at insured depository
4 institutions (including foreign branches and
5 agencies of insured depository institutions)
6 or approved foreign depository institutions
7 (as determined in paragraph (5)(A)(v)) or
8 share drafts (or other deposits that may be
9 withdrawn upon request at any time) at in-
10 sured credit unions, subject to limitations
11 established by the Corporation and the Na-
12 tional Credit Union Administration, respec-
13 tively, to address safety and soundness risks
14 of such insured depository institutions;

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

16 (I) with a remaining maturity of
17 93 days or less; or

18 (II) issued with a maturity of 93
19 days or less;

20 (iv) repurchase agreements, wherein
21 the permitted payment stablecoin issuer is
22 acting as a seller of securities, or reverse re-
23 purchase agreements, wherein the permitted
24 payment stablecoin issuer is acting as a
25 purchaser of securities, with an overnight

1 *maturity and that are backed by Treasury*
2 *bills with a maturity of 93 days or less that*
3 *are—*

4 *(I) centrally cleared through a*
5 *clearing agency registered with the Se-*
6 *curities and Exchange Commission; or*

7 *(II) bilateral, settling either*
8 *through delivery versus payment or*
9 *through a tri-party control account,*
10 *with a counterparty that the issuer has*
11 *determined to be adequately credit*
12 *worthy even in the event of severe mar-*
13 *ket stress; or*

14 *(v) securities issued by an investment*
15 *company under section 8(a) of the Invest-*
16 *ment Company Act of 1940 (15 U.S.C. 80a-*
17 *8) that operates as a money market fund in*
18 *compliance with Rule 2a-7 under the In-*
19 *vestment Company Act of 1940 (or any suc-*
20 *cessor rule) and that are invested solely in*
21 *the underlying assets described in clauses*
22 *(i) through (iv);*

23 *(B) publicly disclose the issuer's redemption*
24 *policy;*

1 (C) establish procedures for timely redemp-
 2 tion of the issuer's outstanding payment
 3 stablecoins; and

4 (D) publish a report on the monthly com-
 5 position of the issuer's reserves on the website of
 6 the issuer, containing—

7 (i) the total number of outstanding
 8 payment stablecoins issued by the issuer;
 9 and

10 (ii) the amount and composition of the
 11 reserves described under subparagraph (A).

12 (2) *ELIGIBILITY.*—Nothing in this Act shall be
 13 construed as expanding or contracting legal eligibility
 14 to make deposits, or hold an account, at a Federal re-
 15 serve bank.

16 (3) *PROHIBITION ON REHYPOTHECATION.*—Re-
 17 serves described under paragraph (1)(A) may not be
 18 pledged, rehypothecated, or reused, except for the pur-
 19 pose of satisfying obligations associated with reserves
 20 described under paragraph (1)(A)(iv).

21 (4) *MONTHLY CERTIFICATION; EXAMINATION OF*
 22 *REPORTS BY REGISTERED PUBLIC ACCOUNTING*
 23 *FIRM.*—

24 (A) *IN GENERAL.*—A permitted payment
 25 stablecoin issuer shall, each month, have the in-

1 *formation disclosed in the previous month-end*
2 *report required under paragraph (1)(D) exam-*
3 *ined by an independent registered public ac-*
4 *counting firm.*

5 (B) *CERTIFICATION.—Each month, the*
6 *Chief Executive Officer and Chief Financial Of-*
7 *ficer of a permitted payment stablecoin issuer*
8 *shall submit to, as applicable, the primary Fed-*
9 *eral payment stablecoin regulator or, in the case*
10 *of a State qualified payment stablecoin issuer,*
11 *the State payment stablecoin regulator, a certifi-*
12 *cation that, based on such officers' knowledge, the*
13 *previous month-end report required under para-*
14 *graph (1)(D)—*

15 (i) *does not contain any untrue state-*
16 *ment of material fact or omit to state a ma-*
17 *terial fact necessary in order to make the*
18 *statements made, in light of the cir-*
19 *cumstances under which such statements*
20 *were made, not misleading; and*

21 (ii) *fairly presented in all material re-*
22 *spects the information required under para-*
23 *graph (1)(D) for the period presented in*
24 *such report.*

25 (C) *CRIMINAL PENALTIES.—Whoever—*

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

9 (ii) willfully submits a certification set
10 forth in subparagraph (B) knowing that the
11 report to which the certification relates does
12 not fairly present, in all material respects,
13 the information required to be contained in
14 such report shall be fined not more than
15 \$5,000,000, or imprisoned not more than 20
16 years, or both.

17 (5) CAPITAL, LIQUIDITY, RISK MANAGEMENT,
18 AND OTHER REQUIREMENTS.—

19 (A) IN GENERAL.—The primary Federal
20 payment stablecoin regulators shall, jointly and
21 in consultation with the State payment
22 stablecoin regulators, issue rules to establish—

23 (i) capital requirements applicable to a
24 permitted payment stablecoin issuer that—

1 (I) are tailored to the business
2 model and risk profile of a permitted
3 payment stablecoin issuer;

4 (II) do not exceed requirements
5 which are sufficient to ensure the ongoing
6 operations of a permitted payment
7 stablecoin issuer; and

8 (III) if such regulators determine
9 that a capital buffer is necessary to ensure
10 the ongoing operations of a permitted
11 payment stablecoin issuer, may
12 include capital buffers that are tailored
13 to the business model and risk profile
14 of a permitted payment stablecoin
15 issuer;

16 (ii) requirements implementing liquidity
17 standards applicable to reserves described in paragraph (1) for a permitted
18 payment stablecoin issuer, which may not
19 exceed an amount that is sufficient to ensure
20 the financial integrity of a permitted
21 payment stablecoin issuer and the ability of
22 the issuer to meet the financial obligations
23 of the issuer, including redemptions;
24

1 (iii) reserve asset diversification and
2 interest rate risk management standards
3 applicable to a permitted payment
4 stablecoin issuer that—

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

8 (II) do not exceed standards
9 which are sufficient to ensure the ongoing
10 operations of a permitted payment
11 stablecoin issuer; and

12 (iv) appropriate operational, compliance,
13 information technology, and cybersecurity risk management standards that are
14 tailored to the business model and risk profile
15 of a permitted payment stablecoin
16 issuer; and

17 (v) requirements regarding the approval
18 of foreign depository institutions
19 that may hold demand deposits of a permitted
20 payment stablecoin issuer.

21 (B) *RULE OF CONSTRUCTION.*—Nothing in
22 this paragraph may be construed to limit—

23 (i) the authority of the primary Federal
24 payment stablecoin regulators, in pre-
25

1 *scribing standards under this paragraph, to*
 2 *tailor or differentiate among permitted pay-*
 3 *ment stablecoin issuers on an individual-*
 4 *ized basis or by category, taking into con-*
 5 *sideration the capital structure, business*
 6 *model risk profile, complexity, financial ac-*
 7 *tivities, size, and any other risk related fac-*
 8 *tors of permitted payment stablecoin issuers*
 9 *that the primary Federal payment*
 10 *stablecoin regulators determine appropriate;*
 11 *or*

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

22 *(C) APPLICABILITY OF EXISTING CAPITAL*
 23 *STANDARDS.—*

24 *(i) APPLICABILITY OF THE FINANCIAL*
 25 *STABILITY ACT OF 2010.—Section 171 of the*

1 *Financial Stability Act of 2010 (12 U.S.C.*
2 *5371) shall not apply to requirements*
3 *issued under this paragraph.*

4 *(ii) RULES RELATING TO LEVERAGE*
5 *CAPITAL REQUIREMENTS OR RISK-BASED*
6 *CAPITAL REQUIREMENTS.—Where an in-*
7 *insured depository institution or depository*
8 *institution holding company, as defined*
9 *under section 171(a)(3) of the Financial*
10 *Stability Act of 2010 (12 U.S.C.*
11 *5371(a)(3)), includes, on a consolidated*
12 *basis, a permitted payment stablecoin*
13 *issuer, any rule issued by an appropriate*
14 *Federal banking agency that imposes, on a*
15 *consolidated basis, a leverage capital re-*
16 *quirement or risk-based capital requirement*
17 *on such insured depository institution or*
18 *depository institution holding company,*
19 *shall not require such insured depository in-*
20 *stitution or depository institution holding*
21 *company to hold, with respect to the per-*
22 *mitted payment stablecoin issuer and its as-*
23 *sets and operations, any amount of regu-*
24 *latory capital in excess of the capital that*
25 *such permitted payment stablecoin issuer*

1 *must maintain under the capital require-*
 2 *ments promulgated pursuant to subpara-*
 3 *graph (A)(i).*

4 *(iii) RULEMAKING.—Not later than the*
 5 *date the primary Federal payment*
 6 *stablecoin regulators issue regulations to*
 7 *carry out this section, each Federal banking*
 8 *agency, as defined in section 3 of the Fed-*
 9 *eral Deposit Insurance Act (12 U.S.C.*
 10 *1813), shall amend or otherwise modify any*
 11 *rule described in clause (ii) so that it com-*
 12 *plies with such clause (ii).*

13 (6) *TREATMENT UNDER THE BANK SECRECY*
 14 *ACT.—*

15 *(A) IN GENERAL.—A permitted payment*
 16 *stablecoin issuer shall be treated as a financial*
 17 *institution for purposes of the Bank Secrecy Act.*

18 *(B) REGULATIONS.—The Secretary of the*
 19 *Treasury, acting through the Director of the Fi-*
 20 *nancial Crimes Enforcement Network, and in*
 21 *consultation with the primary Federal payment*
 22 *stablecoin regulators, shall issue regulations to*
 23 *apply the Bank Secrecy Act to permitted pay-*
 24 *ment stablecoin issuers that are tailored to the*
 25 *size and complexity of such issuers, including by*

1 *requiring each permitted payment stablecoin*
2 *issuer to—*

3 *(i) establish and maintain an anti-*
4 *money laundering and countering the fi-*
5 *nancing of terrorism program, which shall*
6 *include—*

7 *(I) an appropriate risk assess-*
8 *ment;*

9 *(II) the development of internal*
10 *policies, procedures, and controls;*

11 *(III) the designation of a compli-*
12 *ance officer;*

13 *(IV) an ongoing employee train-*
14 *ing program; and*

15 *(V) an independent audit function*
16 *to test such program;*

17 *(ii) retain appropriate records of pay-*
18 *ment stablecoin transactions;*

19 *(iii) monitor and report suspicious ac-*
20 *tivity, which may include use of appro-*
21 *priate distributed ledger analytics; and*

22 *(iv) maintain an effective customer*
23 *identification program to identify and*
24 *verify initial holders of a payment*

1 *stablecoin for the purposes of carrying out*
2 *appropriate customer due diligence.*

3 (7) *COMPLIANCE WITH SANCTIONS.—A permitted*
4 *payment stablecoin issuer shall comply with all laws*
5 *and regulations related to United States sanctions ad-*
6 *ministered by the Office of Foreign Assets Control.*

7 (8) *LIMITATION ON PAYMENT STABLECOIN AC-*
8 *TIVITIES.—A permitted payment stablecoin issuer*
9 *may only—*

10 (A) *issue payment stablecoins;*

11 (B) *redeem payment stablecoins;*

12 (C) *manage related reserves (including pur-*
13 *chasing, selling, and holding reserve assets);*

14 (D) *provide custodial or safekeeping services*
15 *for payment stablecoins and private keys of pay-*
16 *ment stablecoins;*

17 (E) *provide custodial or safekeeping services*
18 *for reserves, consistent with this Act;*

19 (F) *undertake other functions that directly*
20 *support activities described in subparagraphs*
21 *(A) through (E); and*

22 (G) *undertake such non-payment stablecoin*
23 *activities that are allowed by the primary Fed-*
24 *eral payment stablecoin regulator.*

1 (9) *PROHIBITION ON YIELD.*—A permitted pay-
 2 ment stablecoin issuer may not pay interest or yield
 3 to holders of its payment stablecoins.

4 (10) *REGULATION OF FEDERAL QUALIFIED*
 5 *NONBANK PAYMENT STABLECOIN ISSUERS BY THE*
 6 *COMPTROLLER.*—A Federal qualified nonbank pay-
 7 ment stablecoin issuer shall be regulated and super-
 8 vised exclusively by the Comptroller.

9 (b) *STATE-LEVEL REGULATORY REGIMES.*—

10 (1) *IN GENERAL.*—A State qualified payment
 11 stablecoin issuer may only issue payment stablecoins
 12 pursuant to the regulation of a State payment
 13 stablecoin regulator of a State with a regulatory re-
 14 gime for issuing payment stablecoins that is certified
 15 under this subsection as meeting or exceeding the
 16 standards and requirements described in subsection
 17 (a).

18 (2) *CERTIFICATION.*—

19 (A) *IN GENERAL.*—Beginning on the date
 20 that is 1 year after the date of enactment of this
 21 Act or 60 days after the rulemaking described in
 22 subsection (d) is completed, whichever is earlier,
 23 a State payment stablecoin regulator may sub-
 24 mit to the Secretary of the Treasury a certifi-
 25 cation that the regulatory regime of the State for

1 *issuing payment stablecoins meets or exceeds the*
2 *standards and requirements described in sub-*
3 *section (a).*

4 (B) *VALIDITY OF CERTIFICATION.*—*A cer-*
5 *tification under subparagraph (A) shall be valid*
6 *upon submission and remain valid unless the*
7 *Secretary of the Treasury rejects the certification*
8 *under paragraph (6).*

9 (3) *FORM OF CERTIFICATION.*—*A certification*
10 *described under paragraph (2)—*

11 (A) *shall contain an attestation that the*
12 *regulatory regime of the State for issuing pay-*
13 *ment stablecoins meets or exceeds the standards*
14 *and requirements described in subsection (a);*
15 *and*

16 (B) *may include supporting information,*
17 *such as a copy of any State law or regulation*
18 *implementing such standards and requirements.*

19 (4) *REPORT AND ATTESTATION.*—

20 (A) *IN GENERAL.*—*A State payment*
21 *stablecoin regulator with a valid certification*
22 *under this subsection that has made subsequent*
23 *material changes to its State regulatory regime*
24 *and wishes to maintain a valid certification*

1 *shall submit to the Secretary of the Treasury an*
 2 *explanation of all such material changes.*

3 *(B) FORM OF MATERIAL CHANGES EXPLA-*
 4 *NATION.—With respect to a State payment*
 5 *stablecoin regulator that submits an explanation*
 6 *of material changes to the State regulatory re-*
 7 *gime under subparagraph (A), the payment*
 8 *stablecoin regulator shall make such explanation*
 9 *in the same manner, and containing the same*
 10 *attestation, as described under paragraph (3) for*
 11 *a certification.*

12 *(5) ADVISORY OPINIONS ON PROPOSED LAWS OR*
 13 *REGULATIONS.—Upon request of any State payment*
 14 *stablecoin regulator, the Secretary of the Treasury*
 15 *shall—*

16 *(A) review any proposed law or regulation*
 17 *of the State provided by the State payment*
 18 *stablecoin regulator; and*

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

21 *(i) inform the State payment*
 22 *stablecoin regulator that the proposed law*
 23 *or regulation is consistent with a State reg-*
 24 *ulatory regime for issuing payment*
 25 *stablecoins that meets or exceeds the stand-*

ards and requirements described in subsection (a); or

(ii) provide the State payment stablecoin regulator with a detailed explanation of why the proposed law or regulation is not consistent with a State regulatory regime for issuing payment stablecoins that meets or exceeds the standards and requirements described in subsection (a).

(6) REGIMES THAT ARE NOT SUBSTANTIALLY SIMILAR.—

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

(i) determines that the State regulatory regime does not meet or exceed the standards and requirements described in subsection (a); and

1 (ii) provides the State payment
 2 stablecoin regulator with a written expla-
 3 nation for the rejection, describing the rea-
 4 soned basis for the rejection with sufficient
 5 detail such that the State can bring the
 6 State regulatory regime into compliance
 7 based on the explanation.

8 (B) OPPORTUNITY TO CURE.—

9 (i) IN GENERAL.—With respect to a re-
 10 jection described under subparagraph (A),
 11 the Secretary of the Treasury shall provide
 12 the State payment stablecoin regulator with
 13 not less than a 180-day period from the
 14 date on which the State payment stablecoin
 15 regulator is notified of such rejection to—

16 (I) make such changes as may be
 17 necessary to ensure the regulatory re-
 18 gime of the State for issuing payment
 19 stablecoins meets or exceeds the stand-
 20 ards and requirements described in
 21 subsection (a); and

22 (II) resubmit the certification or
 23 explanation of material changes.

24 (ii) REJECTION.—If, after a State pay-
 25 ment stablecoin regulator makes changes de-

1 scribed under clause (i) during the period
2 described in clause (i), the Secretary of the
3 Treasury determines that the certification
4 should be rejected, the Secretary of the
5 Treasury shall, not later than 30 days after
6 such determination, provide the State pay-
7 ment stablecoin regulator with a written ex-
8 planation for the determination, describing
9 the reasoned basis for the determination
10 with sufficient detail such that the State
11 can bring its regime into compliance based
12 on the explanation.

13 (C) *APPEAL OF REJECTION.*—

14 (i) *IN GENERAL.*—A State payment
15 stablecoin regulator that has had a certifi-
16 cation rejected under this paragraph may,
17 after the cure period described under sub-
18 paragraph (B)(i), appeal such rejection to
19 the United States Court of Appeals for the
20 District of Columbia Circuit, which shall,
21 upon a determination that the regulatory
22 regime of the State for issuing payment
23 stablecoins meets or exceeds the standards
24 and requirements described in subsection
25 (a), reverse such rejection.

1 (ii) *REVIEW BY THE SUPREME*
 2 *COURT.—The judgment and decree of the*
 3 *Court of Appeals shall be final, except that*
 4 *the same shall be subject to review by the*
 5 *Supreme Court upon certiorari, as provided*
 6 *in section 1254 of title 28, United States*
 7 *Code.*

8 (D) *RIGHT TO RESUBMIT.—A State pay-*
 9 *ment stablecoin regulator that has had a certifi-*
 10 *cation rejected under this paragraph may resub-*
 11 *mit a new certification under paragraph (2).*

12 (7) *APPROPRIATE EXEMPTIVE RELIEF.—The Sec-*
 13 *retary of the Treasury shall issue such rules and or-*
 14 *ders as are necessary to provide appropriate exemp-*
 15 *tive relief and safe harbors for State qualified pay-*
 16 *ment stablecoin issuers to continue operations during*
 17 *such periods in which any rules promulgated pursu-*
 18 *ant to subsection (a) materially affect a previously*
 19 *certified State regulatory regime’s ability to meet or*
 20 *exceed the standards and requirements described in*
 21 *subsection (a).*

22 (c) *NOT INSURED BY THE FEDERAL GOVERNMENT;*
 23 *MISREPRESENTATION OF INSURED STATUS.—*

24 (1) *IN GENERAL.—Payment stablecoins are not*
 25 *backed by the full faith and credit of the United*

1 *States, guaranteed by the United States Government,*
2 *subject to deposit insurance by the Corporation, or*
3 *subject to share insurance by the National Credit*
4 *Union Administration.*

5 (2) *MISREPRESENTATION OF INSURED STA-*
6 *TUS.—It shall be unlawful to represent that a pay-*
7 *ment stablecoin is backed by the full faith and credit*
8 *of the United States, guaranteed by the United States*
9 *Government, or subject to Federal deposit insurance*
10 *or Federal share insurance.*

11 (3) *DISCLOSURE.—Permitted payment stablecoin*
12 *issuers shall clearly and prominently disclose on their*
13 *website that payment stablecoins issued by such per-*
14 *mitted payment stablecoin issuer are not guaranteed*
15 *by the United States Government, covered by deposit*
16 *insurance by the Federal Deposit Insurance Corpora-*
17 *tion, or covered by share insurance of the National*
18 *Credit Union Administration.*

19 (4) *PENALTIES.—Any person who violates this*
20 *subsection may be prosecuted to the fullest extent of*
21 *the law, including, as applicable, under—*

22 (A) *section 18(a)(4) of the Federal Deposit*
23 *Insurance Act (12 U.S.C. 1828(a)(4); relating to*
24 *the prohibition on false advertising in connection*
25 *with deposit insurance, the misuse of FDIC*

1 *names, and misrepresentations of insured sta-*
 2 *tus);*

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

6 *(C) criminal penalties under title 18,*
 7 *United States Code, related to fraud; and*

8 *(D) other remedies available under the law.*

9 *(d) OFFICERS AND DIRECTORS CONVICTED OF CER-*
 10 *TAIN FELONIES.—No individual who has been convicted of*
 11 *a felony offense involving insider trading, embezzlement,*
 12 *cybercrime, money laundering, financing of terrorism, or*
 13 *financial fraud may serve as—*

14 *(1) an officer of a payment stablecoin issuer; or*

15 *(2) a director of a payment stablecoin issuer.*

16 *(e) RULEMAKING.—*

17 *(1) IN GENERAL.—The primary Federal pay-*
 18 *ment stablecoin regulators may issue such orders and*
 19 *regulations as may be necessary to administer and*
 20 *carry out the requirements of this section, including*
 21 *to establish conditions, and to prevent evasions there-*
 22 *of.*

23 *(2) JOINT ISSUANCE OF REGULATION.—All regu-*
 24 *lations issued to carry out this section by the primary*
 25 *Federal payment stablecoin regulators shall be issued*

1 *jointly, after consultation with State payment*
 2 *stablecoin regulators.*

3 (3) *RULEMAKING DEADLINE.*—*Not later than the*
 4 *end of the 180-day period beginning on the date of*
 5 *enactment of this Act, the Federal payment stablecoin*
 6 *regulators shall issue regulations to carry out this sec-*
 7 *tion.*

8 **SEC. 5. APPROVAL OF SUBSIDIARIES OF INSURED DEPOSI-**
 9 **TORY INSTITUTIONS AND SUBSIDIARIES OF**
 10 **NONBANK ENTITIES.**

11 (a) *IN GENERAL.*—

12 (1) *APPLICATION.*—

13 (A) *IN GENERAL.*—*The primary Federal*
 14 *payment stablecoin regulator shall receive, re-*
 15 *view, and consider for approval applications*
 16 *from any insured depository institution that*
 17 *seeks to issue payment stablecoins through a sub-*
 18 *sidiary and any nonbank entity that seeks to*
 19 *issue payment stablecoins through a subsidiary.*

20 (B) *SHARING OF INFORMATION.*—*With re-*
 21 *spect to applications submitted by State-char-*
 22 *tered insured depository institutions, the pri-*
 23 *mary Federal payment stablecoin regulator shall*
 24 *share such applications with the relevant State*
 25 *bank or State credit union supervisor.*

1 (C) COMPLETION OF APPLICATION.—

2 (i) IN GENERAL.—*The primary Fed-*
3 *eral payment stablecoin regulator shall con-*
4 *sider an application complete if such appli-*
5 *cation contains sufficient information for*
6 *the primary Federal payment stablecoin*
7 *regulator to render a decision on whether*
8 *the application meets the requirements set*
9 *forth in section 4.*

10 (ii) MATERIAL CHANGE IN CIR-
11 CUMSTANCES.—*An application described*
12 *under clause (i) that is considered complete*
13 *shall remain complete unless the primary*
14 *Federal payment stablecoin regulator deter-*
15 *mines that a material change in cir-*
16 *cumstances requires otherwise.*

17 (2) EVALUATION OF APPLICATIONS.—*A complete*
18 *application received under paragraph (1) shall be*
19 *evaluated by the primary Federal payment stablecoin*
20 *regulator based on the ability of the subsidiary of the*
21 *applicant to meet the requirements set forth in section*
22 *4.*

23 (3) TIMING FOR DECISION; GROUNDS FOR DE-
24 NIAL.—

1 (A) *TIMING.*—*The primary Federal pay-*
2 *ment stablecoin regulator shall—*

3 (i) *not later than 30 days after receiv-*
4 *ing the application—*

5 (I) *inform the applicant whether*
6 *the applicant has submitted a complete*
7 *application; and*

8 (II) *if the application is not com-*
9 *plete, inform the applicant of the addi-*
10 *tional information the applicant must*
11 *provide in order for the application to*
12 *be considered complete; and*

13 (ii) *not later than 120 days after in-*
14 *forming the applicant that the application*
15 *is complete, render a decision on an appli-*
16 *cation.*

17 (B) *DENIAL OF APPLICATION.*—

18 (i) *GROUND FOR DENIAL.*—

19 (I) *IN GENERAL.*—*The primary*
20 *Federal payment stablecoin regulator*
21 *may only deny a complete application*
22 *received under paragraph (1) if the*
23 *regulator determines that the activities*
24 *of the applicant would be unsafe or un-*
25 *sound based on the ability of the sub-*

1 *sidiary of the applicant to meet the re-*
2 *quirements set forth in section 4.*

3 (II) *TREATMENT OF CERTAIN*
4 *ISSUANCES.—The issuance of a pay-*
5 *ment stablecoin on an open, public,*
6 *and decentralized network shall not be*
7 *a valid ground for denial of an appli-*
8 *cation received under paragraph (1).*

9 (ii) *EXPLANATION REQUIRED.—If the*
10 *primary Federal payment stablecoin regu-*
11 *lator denies a complete application received*
12 *under paragraph (1), the regulator shall,*
13 *not later than 30 days after the date of such*
14 *denial, provide the applicant with—*

15 (I) *written notice explaining the*
16 *denial with specificity, including all*
17 *findings made by the regulator with re-*
18 *spect to all identified material short-*
19 *comings in the application; and*

20 (II) *actionable recommendations*
21 *on how the applicant could address the*
22 *identified material shortcomings.*

23 (iii) *OPPORTUNITY FOR HEARING;*
24 *FINAL DETERMINATION.—*

1 (I) *IN GENERAL.*—Not later than
2 30 days after the date of receipt of any
3 notice of the denial of an application
4 under this subsection, the applicant
5 may request, in writing, an oppor-
6 tunity for a written or oral hearing be-
7 fore the primary Federal payment
8 stablecoin regulator to appeal the de-
9 nial.

10 (II) *TIMING.*—Upon receipt of a
11 timely request, the primary Federal
12 payment stablecoin regulator shall no-
13 tice a time (not later than 30 days
14 after the date of receipt of the request)
15 and place at which the applicant may
16 appear, personally or through counsel,
17 to appeal the denial, to submit written
18 materials, or to provide oral testimony
19 and oral argument.

20 (III) *FINAL DETERMINATION.*—
21 Not later than 60 days after the date
22 of a hearing under this clause, the pri-
23 mary Federal payment stablecoin regu-
24 lator shall notify the applicant of the
25 final determination of the primary

1 *Federal payment stablecoin regulator*
2 *with respect to the appeal, which shall*
3 *contain a statement of the basis for*
4 *such determination, with specific find-*
5 *ings.*

6 (IV) *NOTICE IF NO HEARING.—If*
7 *an applicant does not make a timely*
8 *request for a hearing under this clause,*
9 *the primary Federal payment*
10 *stablecoin regulator shall notify the ap-*
11 *plicant, not later than 10 days after*
12 *the date by which the applicant may*
13 *request a hearing under this clause, in*
14 *writing, that the denial of the applica-*
15 *tion is a final determination of the*
16 *primary Federal payment stablecoin*
17 *regulator.*

18 (C) *FAILURE TO RENDER A DECISION.—If*
19 *the primary Federal payment stablecoin regu-*
20 *lator fails to render a decision on a complete ap-*
21 *plication within the time period specified in sub-*
22 *paragraph (A), the application shall be deemed*
23 *approved.*

24 (D) *RIGHT TO REAPPLY.—The denial of an*
25 *application under this subsection shall not pro-*

1 hibit the applicant from filing a subsequent ap-
2 plication.

3 (4) *REPORT ON PENDING APPLICATIONS.*—Each
4 of the primary Federal payment stablecoin regulators
5 shall annually report to Congress on—

6 (A) the number of calendar days each appli-
7 cant waited for either an approval or denial of
8 an application under this subsection;

9 (B) the number of calendar days each ap-
10 plicant with an outstanding application has
11 waited for a decision; and

12 (C) the number of applications that have
13 been pending for 6 months or longer since the
14 date of the initial application filed under para-
15 graph (1) where the applicant has been informed
16 that the application remains incomplete, includ-
17 ing providing documentation on the status of the
18 application and why the application has not yet
19 been approved.

20 (5) *RULEMAKING.*—

21 (A) *IN GENERAL.*—Not later than 180 days
22 after the date of enactment of this Act, the pri-
23 mary Federal payment stablecoin regulators
24 shall, jointly, issue rules to carry out this sec-
25 tion, which may only relate to the application

1 process under this subsection and may not im-
 2 plement the requirements set forth in section 4.

3 (B) *TAILORING OF RULES.*—The joint rule-
 4 making required under subparagraph (A) shall
 5 be tailored so as to minimize any incremental
 6 burden placed on well capitalized and highly-
 7 rated insured depository institutions.

8 (b) *EFFECTIVE DATE.*—

9 (1) *IN GENERAL.*—This section shall take effect
 10 on the earlier of—

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

13 (B) the date that is 120 days after the date
 14 on which the primary Federal payment
 15 stablecoin regulators issue final regulations im-
 16 plementing this section.

17 (2) *NOTICE TO CONGRESS.*—Each of the primary
 18 Federal payment stablecoin regulators shall notify
 19 Congress upon receiving their first application.

20 (c) *EFFECT ON STATE LAW FOR PAYMENT*
 21 *STABLECOIN ISSUERS APPROVED BY FEDERAL PAYMENT*
 22 *STABLECOIN REGULATORS UNDER THIS SECTION.*—The
 23 provisions of this section preempt any conflicting State law
 24 and supersede any State licensing requirement for any
 25 nonbank entity or subsidiary of an insured depository in-

stitution or credit union that is approved under this section
to be a permitted payment stablecoin issuer.

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

(a) SUPERVISION.—

(1) SUBSIDIARY OF AN INSURED DEPOSITORY IN-
STITUTION.—

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

(B) GRAMM-LEACH-BLILEY ACT.—For pur-
poses of title V of the Gramm-Leach-Bliley Act
(15 U.S.C. 6801 et seq.) each permitted payment
stablecoin issuer that is a subsidiary of an in-
sured depository institution shall be deemed a fi-
nancial institution.

(2) FEDERAL QUALIFIED NONBANK PAYMENT
STABLECOIN ISSUER.—

(A) SUBMISSION OF REPORTS.—Each Fed-
eral qualified nonbank payment stablecoin issuer

1 *shall, upon request, submit reports to the Comp-*
2 *troller as to—*

3 *(i) the financial condition of the Fed-*
4 *eral qualified nonbank payment stablecoin*
5 *issuer;*

6 *(ii) the systems of the Federal qualified*
7 *nonbank payment stablecoin issuer for mon-*
8 *itoring and controlling financial and oper-*
9 *ating risks; and*

10 *(iii) compliance with this Act and reg-*
11 *ulations issued pursuant to this Act by the*
12 *Federal qualified nonbank payment*
13 *stablecoin issuer.*

14 *(B) EXAMINATIONS.—The Comptroller may*
15 *examine a Federal qualified nonbank payment*
16 *stablecoin issuer in order to inform the Comp-*
17 *troller of—*

18 *(i) the nature of the operations and fi-*
19 *nancial condition of the Federal qualified*
20 *nonbank payment stablecoin issuer;*

21 *(ii) the financial, operational, and*
22 *other risks within the Federal qualified*
23 *nonbank payment stablecoin issuer that*
24 *may pose a threat to—*

1 (I) *the safety and soundness of the*
2 *Federal qualified nonbank payment*
3 *stablecoin issuer; or*

4 (II) *the stability of the financial*
5 *system of the United States;*

6 (iii) *the systems of the Federal quali-*
7 *fied nonbank payment stablecoin issuer for*
8 *monitoring and controlling the risks de-*
9 *scribed in clause (ii);*

10 (iv) *the compliance of the Federal*
11 *qualified nonbank payment stablecoin issuer*
12 *with this Act and regulations issued pursu-*
13 *ant to this Act; and*

14 (v) *the compliance of the Federal*
15 *qualified nonbank payment stablecoin issuer*
16 *with the requirements of the Bank Secrecy*
17 *Act and laws authorizing the imposition of*
18 *sanctions and implemented by the Secretary*
19 *of the Treasury.*

20 (C) *REQUIREMENTS FOR EFFICIENCY.—In*
21 *supervising and examining a Federal qualified*
22 *nonbank payment stablecoin issuer, the Comp-*
23 *troller shall, to the fullest extent possible, use ex-*
24 *isting reports and other supervisory information.*

1 (D) *AVOIDANCE OF DUPLICATION.*—*The*
 2 *Comptroller shall, to the fullest extent possible,*
 3 *avoid duplication of examination activities, re-*
 4 *porting requirements, and requests for informa-*
 5 *tion in carrying out this Act with respect to a*
 6 *Federal qualified nonbank payment stablecoin*
 7 *issuer.*

8 (E) *GRAMM-LEACH-BLILEY ACT.*—*For pur-*
 9 *poses of title V of the Gramm-Leach-Bliley Act*
 10 *(15 U.S.C. 6801 et seq.) each Federal qualified*
 11 *nonbank payment stablecoin issuer shall be*
 12 *deemed a financial institution.*

13 (b) *ENFORCEMENT.*—

14 (1) *SUSPENSION OR REVOCATION OF REGISTRA-*
 15 *TION.*—*The primary Federal payment stablecoin reg-*
 16 *ulator may prohibit a permitted payment stablecoin*
 17 *issuer from issuing payment stablecoins, if the pri-*
 18 *mary Federal payment stablecoin regulator deter-*
 19 *mines that such permitted payment stablecoin issuer,*
 20 *or an institution-affiliated party of the permitted*
 21 *payment stablecoin issuer, is—*

22 (A) *materially violating or has materially*
 23 *violated this Act or any regulation or order*
 24 *issued under this Act, including the issuer’s obli-*
 25 *gations under the section 4(a)(6); or*

1 (B) materially violating or has materially
2 violated any condition imposed in writing by the
3 primary Federal payment stablecoin regulator in
4 connection with a written agreement entered into
5 between the permitted payment stablecoin issuer
6 and the primary Federal payment stablecoin
7 regulator.

8 (2) CEASE-AND-DESIST PROCEEDINGS.—If the
9 primary Federal payment stablecoin regulator has
10 reasonable cause to believe that a permitted payment
11 stablecoin issuer or any institution-affiliated party of
12 a permitted payment stablecoin issuer is violating,
13 has violated, or is attempting to violate this Act, any
14 regulation or order issued under this Act, or any
15 written agreement entered into with the primary Fed-
16 eral payment stablecoin regulator or condition im-
17 posed in writing by the primary Federal payment
18 stablecoin regulator in connection with any applica-
19 tion or other request, the primary Federal payment
20 stablecoin regulator may order the permitted payment
21 stablecoin issuer or institution-affiliated party of the
22 permitted payment stablecoin issuer to—

23 (A) cease and desist from such violation or
24 practice; or

1 (B) take affirmative action to correct the
2 conditions resulting from any such violation or
3 practice.

4 (3) REMOVAL AND PROHIBITION AUTHORITY.—
5 The primary Federal payment stablecoin regulator
6 may remove an institution-affiliated party of a per-
7 mitted payment stablecoin issuer from their position
8 or office or prohibit further participation in the af-
9 fairs of the permitted payment stablecoin issuer or all
10 permitted payment stablecoin issuers by such institu-
11 tion-affiliated party, if the primary Federal payment
12 stablecoin regulator determines that—

13 (A) the institution-affiliated party has, di-
14 rectly or indirectly, committed a violation or at-
15 tempted violation of this Act or any regulation
16 or order issued under this Act; or

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

20 (4) PROCEDURES.—

21 (A) IN GENERAL.—If the primary Federal
22 payment stablecoin regulator identifies a viola-
23 tion or attempted violation of this Act or makes
24 a determination under paragraph (1), (2), or
25 (3), the primary Federal payment stablecoin reg-

ulator 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).

(B) JUDICIAL REVIEW.—A person aggrieved
by a final action under this subsection may ob-
tain judicial review of such action exclusively as
provided, as applicable, in—

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

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

(C) INJUNCTION.—The primary Federal
payment stablecoin regulator may, in the discre-
tion of the regulator, follow the procedures for ju-
dicial enforcement of any effective and out-
standing notice or order issued under this sub-
section provided, as applicable, in—

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

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

3 (D) TEMPORARY CEASE-AND-DESIST PRO-
4 CEEDINGS.—If the primary Federal payment
5 stablecoin regulator determines that a violation
6 or attempted violation of this Act or an action
7 with respect to which a determination was made
8 under paragraph (1), (2), or (3), or the continu-
9 uation thereof, is likely to cause insolvency or sig-
10 nificant dissipation of assets or earnings of a
11 permitted payment stablecoin issuer, or is likely
12 to weaken the condition of the permitted pay-
13 ment stablecoin issuer or otherwise prejudice the
14 interests of the customers of the permitted pay-
15 ment stablecoin issuer prior to the completion of
16 the proceedings conducted under this paragraph,
17 the primary Federal payment stablecoin regu-
18 lator may follow the procedures provided, as ap-
19 plicable, in—

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

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

1 (5) *CIVIL MONEY PENALTIES.*—

2 (A) *FAILURE TO BE APPROVED.*—Any per-
3 son who issues a payment stablecoin and who is
4 not a permitted payment stablecoin issuer, and
5 any institution-affiliated party of such a person
6 who knowingly participates in issuing such a
7 payment stablecoin, shall be liable for a civil
8 penalty of not more than \$100,000 for each day
9 during which such payment stablecoins are out-
10 standing.

11 (B) *FIRST TIER.*—Except as provided in
12 subparagraph (A), a permitted payment
13 stablecoin issuer or institution-affiliated party of
14 such permitted payment stablecoin issuer that
15 materially violates this Act or any regulation or
16 order issued under this Act, or that materially
17 violates any condition imposed in writing by the
18 primary Federal payment stablecoin regulator in
19 connection with a written agreement entered into
20 between the permitted payment stablecoin issuer
21 and the primary Federal payment stablecoin
22 regulator, shall be liable for a civil penalty of up
23 to \$100,000 for each day during which the viola-
24 tion continues.

1 (C) *SECOND TIER.*—*Except as provided in*
2 *subparagraph (A), and in addition to the pen-*
3 *alties described under subparagraph (B), a per-*
4 *mitted payment stablecoin issuer or institution-*
5 *affiliated party of such permitted payment*
6 *stablecoin issuer who knowingly participates in*
7 *a violation of any provision of this Act, or any*
8 *regulation or order issued thereunder, is liable*
9 *for a civil penalty of up to an additional*
10 *\$100,000 for each day during which the viola-*
11 *tion continues.*

12 (D) *PROCEDURE.*—*Any penalty imposed*
13 *under this paragraph may be assessed and col-*
14 *lected by the primary Federal payment*
15 *stablecoin regulator pursuant to the procedures*
16 *set forth, as applicable, in—*

17 (i) *section 8(i)(2) of the Federal De-*
18 *posit Insurance Act (12 U.S.C. 1818(i)(2));*

19 *or*

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

22 (E) *NOTICE AND ORDERS AFTER SEPARA-*
23 *TION FROM SERVICE.*—*The resignation, termi-*
24 *nation of employment or participation, or sepa-*
25 *ration of an institution-affiliated party (includ-*

1 ing a separation caused by the closing of a per-
 2 mitted payment stablecoin issuer) shall not affect
 3 the jurisdiction and authority of the primary
 4 Federal payment stablecoin regulator to issue
 5 any notice or order and proceed under this sub-
 6 section against any such party, if such notice or
 7 order is served before the end of the 6-year period
 8 beginning on the date such party ceased to be an
 9 institution-affiliated party with respect to such
 10 permitted payment stablecoin issuer.

11 (6) *NON-APPLICABILITY TO A STATE QUALIFIED*
 12 *PAYMENT STABLECOIN ISSUER.*—This subsection shall
 13 not apply to a State qualified payment stablecoin
 14 issuer, except as described in section 7(e).

15 (c) *SHARING OF INFORMATION.*—A State payment
 16 stablecoin regulator and the primary Federal payment
 17 stablecoin regulator shall share information on an ongoing
 18 basis with respect to a permitted payment stablecoin issuer
 19 that is a subsidiary of a State-chartered insured depository
 20 institution.

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

22 (a) *IN GENERAL.*—With respect to a State, a State
 23 payment stablecoin regulator shall have supervisory, exam-
 24 ination, and enforcement authority over a State qualified
 25 payment stablecoin issuer of such State.

1 (b) *AUTHORITY TO ENTER INTO AGREEMENTS.*—

2 (1) *IN GENERAL.*—A State payment stablecoin
3 regulator may enter into a memorandum of under-
4 standing with the primary Federal banking agency
5 and Comptroller setting out the manner in which the
6 primary Federal banking agency and Comptroller
7 may participate in the supervision, examination, and
8 enforcement authority with respect to the State quali-
9 fied payment stablecoin issuers of such State.

10 (2) *RULE OF CONSTRUCTION.*—Nothing in this
11 subsection or a memorandum entered into under this
12 subsection may be construed to limit the authority of
13 the primary Federal banking agency or Comptroller
14 under subsection (e) or any other provision of law.

15 (c) *SHARING OF INFORMATION.*—

16 (1) *IN GENERAL.*—A State payment stablecoin
17 regulator and, as applicable, the Comptroller, the
18 Board, the Corporation, or the National Credit Union
19 Administration shall share information on an ongoing
20 basis with respect to each State qualified payment
21 stablecoin issuer of such State, including a copy of all
22 initial applications and any accompanying documents.
23

24 (2) *PRIVILEGES NOT AFFECTED BY SHARING OF*
25 *INFORMATION.*—The sharing of information under

1 *paragraph (1) shall not be construed as waiving, de-*
 2 *stroying, or otherwise affecting any privilege applica-*
 3 *ble to such information under Federal or State law*
 4 *as to any person or entity other than the State pay-*
 5 *ment stablecoin regulator, the Comptroller, the Board,*
 6 *the Corporation, and the National Credit Union Ad-*
 7 *ministration.*

8 *(d) RULEMAKING.—A State payment stablecoin regu-*
 9 *lator may, to the same extent as the primary Federal pay-*
 10 *ment stablecoin regulators issue orders and rules under sec-*
 11 *tion 4 applicable to a permitted payment stablecoin issuer*
 12 *that is not a State qualified payment stablecoin issuer,*
 13 *issue orders and rules related to the requirements under sec-*
 14 *tion 4 applicable to State qualified payment stablecoin*
 15 *issuers.*

16 *(e) BACK-UP ENFORCEMENT AUTHORITY.—*

17 *(1) BY THE PRIMARY FEDERAL BANKING AGEN-*
 18 *CY.—*

19 *(A) IN GENERAL.—Subject to subparagraph*
 20 *(C), the primary Federal banking agency may,*
 21 *after not less than 48 hours prior written notice*
 22 *to any applicable State payment stablecoin regu-*
 23 *lator, take an enforcement action against a State*
 24 *qualified payment stablecoin issuer that is a sub-*
 25 *sidary of an insured depository institution or*

1 *an institution-affiliated party thereof for viola-*
2 *tions of this Act if—*

3 *(i) the applicable State payment*
4 *stablecoin regulator has not commenced an*
5 *enforcement action to correct such violation;*
6 *and*

7 *(ii) failure to take such action would*
8 *create a material risk of loss to holders of*
9 *such issuer’s stablecoins or create a material*
10 *threat to U.S. financial stability.*

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

18 *(C) BACK-UP AUTHORITY UNDER SECTION*
19 *6(b).—Solely for purposes of carrying out this*
20 *paragraph, section 6(b) shall apply to a State*
21 *qualified payment stablecoin issuer that is a sub-*
22 *sidary of an insured depository institution as if*
23 *the primary Federal banking agency were the*
24 *primary Federal payment stablecoin regulator*

1 *with respect to the State qualified payment*
 2 *stablecoin issuer.*

3 (D) *PRIMARY FEDERAL BANKING AGENCY*

4 *DEFINED.—In this section—*

5 (i) *the term “primary Federal banking*
 6 *agency” means—*

7 (I) *the appropriate Federal bank-*
 8 *ing agency; and*

9 (II) *the National Credit Union*
 10 *Administration, in the case of an in-*
 11 *sured credit union; and*

12 (ii) *the term “primary Federal bank-*
 13 *ing agencies” means the Board, the Comp-*
 14 *troller, the Corporation, and the National*
 15 *Credit Union Administration.*

16 (2) *BY THE COMPTROLLER.—*

17 (A) *IN GENERAL.—Subject to subparagraph*
 18 *(C), the Comptroller may, after not less than 48*
 19 *hours prior written notice to any applicable*
 20 *State payment stablecoin regulator, take an en-*
 21 *forcement action against a State qualified pay-*
 22 *ment stablecoin issuer that is a nonbank entity*
 23 *or an institution-affiliated party thereof for vio-*
 24 *lations of this Act if—*

1 (i) the applicable State payment
2 stablecoin regulator has not commenced an
3 enforcement action to correct such violation;
4 and

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

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

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

23 (f) GRAMM-LEACH-BLILEY ACT.—For purposes of title
24 V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.)

1 *a State qualified payment stablecoin issuer is deemed a fi-*
 2 *ancial institution.*

3 *(g) INTERSTATE PAYMENT STABLECOIN MARKET.—*

4 *(1) DEFINITIONS.—For the purposes of this sub-*
 5 *section—*

6 *(A) the term “home State” means the State*
 7 *of a State qualified payment stablecoin issuer’s*
 8 *State payment stablecoin regulator; and*

9 *(B) the term “host State” means a State*
 10 *other than that of the State qualified payment*
 11 *stablecoin issuer’s State payment stablecoin reg-*
 12 *ulator.*

13 *(2) AUTHORITY TO ISSUE PAYMENT STABLECOINS*
 14 *IN HOST STATES.—Subject to the requirements of*
 15 *paragraph (3), a State qualified payment stablecoin*
 16 *issuer may issue payment stablecoins in a host State*
 17 *without a charter or license to issue payment*
 18 *stablecoins from such host State.*

19 *(3) STATE OBLIGATIONS.—Where a State quali-*
 20 *fied payment stablecoin issuer issues a payment*
 21 *stablecoin in a host State pursuant to paragraph*
 22 *(2)—*

23 *(A) such State qualified payment stablecoin*
 24 *issuer shall notify any State payment stablecoin*
 25 *regulator in such host State of the issuer’s inten-*

1 *tion to do business in the host State not less than*
2 *30 days before such issuer commences business in*
3 *the host State and in a manner prescribed by the*
4 *host State's State payment stablecoin regulator*
5 *or State banking regulator if such State does not*
6 *have a regime certified under section 4(b), pro-*
7 *vided that such notice does not impose a de facto*
8 *licensure or chartering requirement on such*
9 *State qualified payment stablecoin issuer;*

10 *(B) such State qualified payment stablecoin*
11 *issuer shall comply with all requirements of the*
12 *issuer's home State regulatory regime when con-*
13 *ducting business in the host State, and where the*
14 *host State maintains a payment stablecoin regu-*
15 *latory regime that is certified under section 4(b),*
16 *such issuer shall comply with any obligations of*
17 *the host State's payment stablecoin regulatory*
18 *regime that exceed those of such issuer's home*
19 *State regulatory regime;*

20 *(C) where the host State does not maintain*
21 *a payment stablecoin regulatory regime that is*
22 *certified under section 4(b), such State qualified*
23 *payment stablecoin issuer shall remain subject to*
24 *all applicable consumer protection laws of such*
25 *host State; and*

1 (D) where the host State maintains a pay-
 2 ment stablecoin regulatory regime that is cer-
 3 tified under section 4(b), such State qualified
 4 payment stablecoin issuer shall remain subject to
 5 applicable consumer protection laws of such host
 6 State, but only to the same extent as State quali-
 7 fied payment stablecoin issuers chartered or li-
 8 censed in that host State.

9 **SEC. 8. CUSTOMER PROTECTION.**

10 (a) *IN GENERAL.*—A person may only engage in the
 11 business of providing custodial or safekeeping services for
 12 payment stablecoins issued by permitted payment
 13 stablecoin issuers, reserves described in section 4(a)(1)(A),
 14 or private keys of payment stablecoins issued by permitted
 15 payment stablecoin issuers, if the person—

16 (1) is subject to—

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

23 (B) supervision by a State bank supervisor,
 24 as defined in section 3 of the Federal Deposit In-
 25 surance Act (12 U.S.C. 1813) or a State credit

1 *union supervisor, as defined in section 6003 of*
2 *the Anti-Money Laundering Act of 2020 (31*
3 *U.S.C. 5311 note), and such State bank super-*
4 *visor or State credit union supervisor makes*
5 *available to the Board such information as the*
6 *Board determines necessary and relevant to the*
7 *categories of information under subsection (d);*
8 *and*

9 *(2) complies with the segregation requirements*
10 *under subsections (b), (c), and (d), unless such person*
11 *complies with similar requirements as required by the*
12 *Board, the Comptroller, the Corporation, the Securi-*
13 *ties and Exchange Commission, or the Commodity*
14 *Futures Trading Commission, as applicable.*

15 *(b) CUSTOMER PROPERTY REQUIREMENTS.—A person*
16 *described in subsection (a) shall—*

17 *(1) treat and deal with the payment stablecoins,*
18 *private keys, cash, and other property of another per-*
19 *son for whom or on whose behalf the person receives,*
20 *acquires, or holds payment stablecoins, private keys,*
21 *cash, and other property (hereinafter in this section*
22 *referred to as the “customer”) as belonging to such*
23 *customer and not as the property of such person; and*

24 *(2) take such steps as are appropriate to protect*
25 *the payment stablecoins, private keys, cash, and other*

1 *property of a customer from the claims of creditors of*
2 *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 (a)*
7 *and shall not be commingled with the funds of the*
8 *person.*

9 (2) *CUSTOMER PRIORITY.*—*In any insolvency,*
10 *claims against reserves of a payment stablecoin issuer*
11 *from persons holding payment stablecoins issued by*
12 *the payment stablecoin issuer shall have priority over*
13 *all other claims, other than for administrative ex-*
14 *penses, against the payment stablecoin issuer.*

15 (3) *EXCEPTION.*—*Notwithstanding paragraph*
16 (1)—

17 (A) *the payment stablecoins, cash, and other*
18 *property of a customer may be commingled and*
19 *deposited in an omnibus account holding the*
20 *payment stablecoins, cash, and other property of*
21 *more than 1 customer at a depository institution*
22 *(as defined in section 3 of the Federal Deposit*
23 *Insurance Act), trust company, Federal credit*
24 *union, or State credit union;*

1 (B) such share of the payment stablecoins,
2 cash, and other property of the customer that
3 shall be necessary to transfer, adjust, or settle a
4 transaction or transfer of assets may be with-
5 drawn and applied to such purposes, including
6 the payment of commissions, taxes, storage, and
7 other charges lawfully accruing in connection
8 with the provision of services by a person de-
9 scribed in subsection (a);

10 (C) in accordance with such terms and con-
11 ditions as the Board may prescribe by rule, regu-
12 lation, or order, any customer payment
13 stablecoin, cash, and other property described in
14 this subsection may be commingled and depos-
15 ited in customer accounts with payment
16 stablecoins, cash, and other property received by
17 the person and required by the Board to be sepa-
18 rately accounted for, treated, and dealt with as
19 belonging to customers; and

20 (D) an insured depository institution that
21 provides custodial or safekeeping services for
22 payment stablecoin reserves shall be permitted to
23 hold payment stablecoin reserves in the form of
24 cash on deposit.

1 (d) *REGULATORY INFORMATION.*—A person described
 2 under subsection (a) shall submit to the primary Federal
 3 payment stablecoin regulator (or, if the person does not
 4 have a primary Federal payment stablecoin regulator, to
 5 the Board) information concerning the person’s business op-
 6 erations and processes to protect customer payment
 7 stablecoins, cash, and other property, in such form and
 8 manner as the primary Federal payment stablecoin regu-
 9 lator (or, if the person does not have a primary Federal
 10 payment stablecoin regulator, the Board) shall determine.

11 (e) *EXCLUSION.*—The requirements of this section shall
 12 not apply to any person solely on the basis that such person
 13 engages in the business of providing hardware or software
 14 to facilitate a customer’s own custody or safekeeping of the
 15 customer’s payment stablecoins or private keys.

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

17 A digital asset shall not be construed to be a payment
 18 stablecoin if it is—

19 (1) redeemable exclusively for other digital assets,
 20 provided that such digital assets for which it is re-
 21 deemable are not primarily—

22 (A) payment stablecoins; or

23 (B) representations of permissible reserves
 24 described under section 4(a)(1)(A) or similar
 25 such assets; or

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

4 **SEC. 10. INTEROPERABILITY STANDARDS.**

5 (a) *IN GENERAL.*—*The primary Federal payment*
 6 *stablecoin regulators, in consultation with the National In-*
 7 *stitute of Standards and Technology, other relevant stand-*
 8 *ard setting organizations, and State governments—*

9 (1) *shall assess compatibility and interoper-*
 10 *ability standards for permitted payment stablecoin*
 11 *issuers; and*

12 (2) *if necessary, may, pursuant to section 553 of*
 13 *title 5, United States Code, and in a manner con-*
 14 *sistent with the National Technology Transfer and*
 15 *Advancement Act of 1995 (Public Law 104–113), pre-*
 16 *scribe standards for payment stablecoin issuers to*
 17 *promote compatibility and interoperability.*

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

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

3 (a) *MORATORIUM.*—During the 2-year period begin-
 4 ning on the date of enactment of this Act, it shall be unlaw-
 5 ful to issue an endogenously collateralized stablecoin not in
 6 existence on the date of enactment of this Act.

7 (b) *ENDOGENOUSLY COLLATERALIZED STABLECOIN*
 8 *DEFINED.*—In this section, the term “endogenously
 9 collateralized stablecoin” means any digital asset—

10 (1) *in which its issuer has represented will be*
 11 *converted, redeemed, or repurchased for a fixed*
 12 *amount of monetary value; and*

13 (2) *that relies solely on the value of another digi-*
 14 *tal asset created or maintained by the same origi-*
 15 *nator to maintain the fixed price.*

16 **SEC. 12. STUDIES AND REPORTS.**

17 (a) *STUDY BY TREASURY.*—The Secretary of the
 18 Treasury, in consultation with the Board, the Comptroller,
 19 the Corporation, the National Credit Union Administra-
 20 tion, and the Securities and Exchange Commission, shall
 21 carry out a study of non-payment stablecoins, including de-
 22 centralized stablecoins.

23 (b) *REPORT.*—Not later than 365 days after the date
 24 of the enactment of this Act, the Secretary shall provide to
 25 the Committee on Financial Services of the House of Rep-
 26 resentatives and the Committee on Banking, Housing, and

1 *Urban Affairs of the Senate a report that contains all find-*
 2 *ings made in carrying out the study under subsection (a),*
 3 *including an analysis of—*

4 (1) *the categories of non-payment stablecoins, in-*
 5 *cluding the benefits and risks of technological design*
 6 *features;*

7 (2) *the participants in non-payment stablecoin*
 8 *arrangements;*

9 (3) *utilization and potential utilization of non-*
 10 *payment stablecoins;*

11 (4) *nature of reserve compositions;*

12 (5) *governance structure, including aspects of de-*
 13 *centralization;*

14 (6) *nature of public promotion and advertising;*
 15 *and*

16 (7) *clarity and availability of consumer notices*
 17 *and disclosures.*

18 (c) *IMPACT STUDY.—*

19 (1) *IN GENERAL.—The Secretary of the Treas-*
 20 *ury, in consultation with the Board, the Comptroller,*
 21 *the Corporation, the National Credit Union Adminis-*
 22 *tration, and the Securities and Exchange Commis-*
 23 *sion, shall carry out a study on the impact of pay-*
 24 *ment stablecoins.*

1 (2) *REPORT*.—Not later than 365 days after the
2 date of enactment of this Act, the Secretary shall pro-
3 vide the Committee on Financial Services of the
4 House of Representatives and the Committee on
5 Banking, Housing, and Urban Affairs of the Senate
6 a report containing all findings made in carrying out
7 the study under paragraph (1), including an analysis
8 of—

9 (A) the impact of payment stablecoins on
10 the cost of domestic and cross-border payments
11 and remittances;

12 (B) the role of payment stablecoins in pro-
13 viding access to a stable currency in the Global
14 South;

15 (C) the use of payment stablecoins by popu-
16 lations in the Global South to mitigate exposure
17 to the effects of inflation;

18 (D) the extent to which payment stablecoin
19 adoption reinforces the role of the United States
20 dollar as the world's reserve currency; and

21 (E) the extent to which payment stablecoins
22 may expand demand for United States Treasury
23 securities and reduce the cost of United States
24 Government borrowing.

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

2 *Not later than 6 months after the date of enactment*
3 *of this Act, the primary Federal payment stablecoin regu-*
4 *lators shall provide a status update on the development of*
5 *the rulemaking under this Act to the Committee on Finan-*
6 *cial Services of the House of Representatives and the Com-*
7 *mittee on Banking, Housing, and Urban Affairs of the Sen-*
8 *ate.*

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

10 *(a) RULE OF CONSTRUCTION.—Nothing in this Act*
11 *may be construed to limit the authority of a depository in-*
12 *stitution, national bank, Federal credit union, State credit*
13 *union, or trust company to engage in activities permissible*
14 *pursuant to applicable State and Federal law, including—*

15 *(1) accepting or receiving deposits and issuing*
16 *digital assets that represent deposits;*

17 *(2) utilizing a distributed ledger for the books*
18 *and records of the entity and to affect intrabank*
19 *transfers; and*

20 *(3) providing custodial services for payment*
21 *stablecoins, private keys of payment stablecoins, or re-*
22 *serves backing payment stablecoins.*

23 *(b) REGULATORY REVIEW.—The primary Federal*
24 *payment stablecoin regulators shall review all existing regu-*
25 *lations and guidance and, if necessary, amend such regula-*
26 *tions or guidance or issue new regulations or guidance to*

1 *clarify that regulated entities can engage in the payment*
 2 *stablecoin activities contemplated in, and in accordance*
 3 *with, this Act.*

4 (c) *TREATMENT OF CUSTODY ACTIVITIES.*—*The ap-*
 5 *propriate Federal banking agency, the National Credit*
 6 *Union Administration (in the case of a credit union), and*
 7 *the Securities and Exchange Commission may not require*
 8 *a depository institution, national bank, Federal credit*
 9 *union, State credit union, or trust company, or any affil-*
 10 *iate thereof (the “entity”)—*

11 (1) *to include assets held in custody that are not*
 12 *owned by the entity as a liability on the financial*
 13 *statement or balance sheet of the entity, including*
 14 *payment stablecoin custody or safekeeping services;*

15 (2) *to hold regulatory capital against assets, in-*
 16 *cluding reserves backing such assets described in sec-*
 17 *tion 4(a)(1)(A), in custody or safekeeping, except as*
 18 *necessary to mitigate against operational risks inher-*
 19 *ent with the custody or safekeeping services, as deter-*
 20 *mined by—*

21 (A) *the appropriate Federal banking agen-*
 22 *cy;*

23 (B) *the National Credit Union Administra-*
 24 *tion (in the case of a credit union);*

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

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

7 (3) to recognize a liability for any obligations re-
 8 lated to activities or services performed with respect
 9 to digital assets that the entity does not own if that
 10 liability would exceed the expense recognized in the
 11 income statement as a result of the corresponding ob-
 12 ligation.

13 (d) *DEPOSITORY INSTITUTION DEFINED.*—In this sec-
 14 tion, the term “depository institution” has the meaning
 15 given that term in section 3 of the Federal Deposit Insur-
 16 ance Act (12 U.S.C. 1813).

17 **SEC. 15. AMENDMENTS TO CLARIFY THAT PAYMENT**
 18 **STABLECOINS ARE NOT SECURITIES.**

19 (a) *INVESTMENT ADVISERS ACT OF 1940.*—Section
 20 202(a)(18) of the Investment Advisers Act of 1940 (15
 21 U.S.C. 80b–2(a)(18)) is amended by adding at the end the
 22 following: “The term ‘security’ does not include a payment
 23 stablecoin issued by a permitted payment stablecoin issuer,
 24 as such terms are defined, respectively, in section 2 of the
 25 STABLE Act of 2025.”.

1 (b) *INVESTMENT COMPANY ACT OF 1940.*—*The Invest-*
 2 *ment Company Act of 1940 is amended—*

3 (1) *in section 2(a)(36) (15 U.S.C. 80a–2(a)(36)),*
 4 *by adding at the end the following: “The term ‘secu-*
 5 *rity’ does not include a payment stablecoin issued by*
 6 *a permitted payment stablecoin issuer, as such terms*
 7 *are defined, respectively, in section 2 of the STABLE*
 8 *Act of 2025.”; and*

9 (2) *in section 3(c) (15 U.S.C. 80a–3(c)), by add-*
 10 *ing at the end the following:*

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

14 (c) *SECURITIES ACT OF 1933.*—*Section 2(a)(1) of the*
 15 *Securities Act of 1933 (15 U.S.C. 77b(a)(1)) is amended*
 16 *by adding at the end the following: “The term ‘security’*
 17 *does not include a payment stablecoin issued by a permitted*
 18 *payment stablecoin issuer, as such terms are defined, re-*
 19 *spectively, in section 2 of the STABLE Act of 2025.”.*

20 (d) *SECURITIES EXCHANGE ACT OF 1934.*—*Section*
 21 *3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C.*
 22 *78c(a)(10)) is amended by adding at the end the following:*
 23 *“The term ‘security’ does not include a payment stablecoin*
 24 *issued by a permitted payment stablecoin issuer, as such*

1 *terms are defined, respectively, in section 2 of the STABLE*
2 *Act of 2025.”.*

3 (e) *SECURITIES INVESTOR PROTECTION ACT OF*
4 *1970.—Section 16(14) of the Securities Investor Protection*
5 *Act of 1970 (15 U.S.C. 78ll(14)) is amended by adding*
6 *at the end the following: “The term ‘security’ does not in-*
7 *clude a payment stablecoin issued by a permitted payment*
8 *stablecoin issuer, as such terms are defined, respectively, in*
9 *section 2 of the STABLE Act of 2025.”.*

Union Calendar No. 68

119TH CONGRESS
1ST Session

H. R. 2392

[Report No. 119-94]

A BILL

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

MAY 6, 2025

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed