

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2392
OFFERED BY MR. STEIL OF WISCONSIN**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Stablecoin Trans-
3 parency and Accountability for a Better Ledger Economy
4 Act of 2025” or the “STABLE Act of 2025”.

5 SEC. 2. DEFINITIONS.

6 In this Act:

7 (1) APPROPRIATE FEDERAL BANKING AGEN-
8 CY.—The term “appropriate Federal banking agen-
9 cy” has the meaning given that term under section
10 3 of the Federal Deposit Insurance Act (12 U.S.C.
11 1813).

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

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

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

1 (C) subchapter II of chapter 53 of title 31,
2 United States Code.

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

5 (4) COMPTROLLER.—The term “Comptroller”
6 means the Comptroller of the Currency.

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

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

14 (7) DIGITAL ASSET.—The term “digital asset”
15 means any digital representation of value which is
16 recorded on a cryptographically-secured distributed
17 ledger.

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

1 (9) FEDERAL QUALIFIED NONBANK PAYMENT
2 STABLECOIN ISSUER.—The term “Federal qualified
3 nonbank payment stablecoin issuer” means a sub-
4 sidiary of a nonbank entity approved by the primary
5 Federal payment stablecoin regulator, pursuant to
6 section 5, to issue payment stablecoins.

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

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

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

17 (B) an insured credit union.

18 (12) MONETARY VALUE.—The term “monetary
19 value”—

20 (A) means—

21 (i) a national currency;

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

1 (iii) an account (as defined in section
2 101 of the Federal Credit Union Act (12
3 U.S.C. 1752)); and

4 (B) does not include any agricultural or
5 other physical commodity (as defined in section
6 1a of the Commodity Exchange Act (7 U.S.C.
7 1a)).

8 (13) NATIONAL CURRENCY.—The term “na-
9 tional currency” means a Federal Reserve note, (as
10 the term is used in the first undesignated paragraph
11 of section 16 of the Federal Reserve Act (12 U.S.C.
12 411)), money standing to the credit of an account
13 with a Federal reserve bank, money issued by a cen-
14 tral bank, and money issued by an intergovern-
15 mental organization pursuant to an agreement by
16 one or more governments.

17 (14) NONBANK ENTITY.—The term “nonbank
18 entity” means a person that is not an insured depos-
19 itory institution or subsidiary of an insured deposi-
20 tory institution.

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

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

1 (B) that is denominated in a national cur-
2 rency;

3 (C) the issuer of which—

4 (i) is obligated to convert, redeem, or
5 repurchase for a fixed amount of monetary
6 value; or

7 (ii) represents that the digital asset
8 will maintain or creates the reasonable ex-
9 pectation that the digital asset will main-
10 tain a stable value relative to the value of
11 a fixed amount of monetary value; and

12 (D) that is not—

13 (i) a national currency;

14 (ii) a security issued by—

15 (I) an investment company reg-
16 istered under section 8(a) of the In-
17 vestment Company Act of 1940 (15
18 U.S.C. 80a-8(a)); or

19 (II) a person that would be an
20 investment company under the Invest-
21 ment Company Act of 1940 but for
22 paragraphs (1) and (7) of section 3(c)
23 of that Act (15 U.S.C. 80a-3(c));

24 (iii) a deposit (as defined under sec-
25 tion 3 of the Federal Deposit Insurance

1 Act (12 U.S.C. 1813)), regardless of the
2 technology used to record such deposit; or
3 (iv) an account (as defined in section
4 101 of the Federal Credit Union Act (12
5 U.S.C. 1752)), regardless of the technology
6 used to record such account.

7 (16) PERMITTED PAYMENT STABLECOIN
8 ISSUER.—The term “permitted payment stablecoin
9 issuer” means—

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

13 (B) a Federal qualified nonbank payment
14 stablecoin issuer; or

15 (C) a State qualified payment stablecoin
16 issuer.

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

21 (18) PRIMARY FEDERAL PAYMENT STABLECOIN
22 REGULATOR.—

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

1 (i) with respect to an insured deposi-
2 tory institution (other than an insured
3 credit union) or a subsidiary of an insured
4 depository institution (other than an in-
5 sured credit union), the appropriate Fed-
6 eral banking agency of such insured depos-
7 itory institution;

8 (ii) with respect to an insured credit
9 union or a subsidiary of an insured credit
10 union, the National Credit Union Adminis-
11 tration;

12 (iii) with respect to a Federal quali-
13 fied nonbank payment stablecoin issuer
14 and any nonbank entity that seeks to have
15 a subsidiary approved as a Federal quali-
16 fied nonbank payment stablecoin issuer,
17 the Comptroller; and

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

20 (B) PRIMARY FEDERAL PAYMENT
21 STABLECOIN REGULATORS.—The term “pri-
22 mary Federal payment stablecoin regulators”
23 means the Comptroller, the Board, the Corpora-
24 tion, and the National Credit Union Adminis-
25 tration.

1 (19) REGISTERED PUBLIC ACCOUNTING
2 FIRM.—The term “registered public accounting
3 firm” has the meaning given that term under section
4 2 of the Sarbanes-Oxley Act of 2002 (15 U.S.C.
5 7201).

6 (20) STATE.—The term “State” means each of
7 the several States, the District of Columbia, and
8 each territory of the United States.

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

12 (A) is approved to issue payment
13 stablecoins by a State payment stablecoin regu-
14 lator;

15 (B) issues a payment stablecoin in compli-
16 ance with the laws and regulations of a State
17 regulatory regime certified under section 4(b);
18 and

19 (C) is not—

20 (i) chartered by the Comptroller;

21 (ii) a Federal credit union; or

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

1 (I) has at least a partial owner-
2 ship interest or loan from a Federal
3 credit union; or

4 (II) has at least a partial owner-
5 ship interest or loan from a State
6 credit union that is organized in a dif-
7 ferent State than such subsidiary.

8 (22) STATE PAYMENT STABLECOIN REGU-
9 LATOR.—The term “State payment stablecoin regu-
10 lator” means—

11 (A) a State agency that has primary regu-
12 latory and supervisory authority in such State
13 over entities that issue payment stablecoins;
14 and

15 (B) with respect to a State qualified pay-
16 ment stablecoin issuer that is a subsidiary of a
17 State-chartered depository institution (as de-
18 fined in section 3 of the Federal Deposit Insur-
19 ance Act (12 U.S.C. 1813)) or a State credit
20 union, the State agency that has primary regu-
21 latory and supervisory authority over entities
22 that issue payment stablecoins in the State in
23 which such State-chartered depository institu-
24 tion or State credit union is chartered.

1 (23) SUBSIDIARY OF AN INSURED CREDIT
2 UNION.—With respect to an insured credit union,
3 the term “subsidiary of an insured credit union”
4 means—

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

10 (B) a credit union service organization, as
11 such term is used under part 712 of title 12,
12 Code of Federal Regulations, with respect to
13 which the insured credit union has an owner-
14 ship interest or to which the insured credit
15 union has extended a loan; and

16 (C) any subsidiary of an insured credit
17 union that is a State credit union.

18 **SEC. 3. LIMITATION ON WHO MAY ISSUE A PAYMENT**

19 **STABLECOIN.**

20 (a) LIMITATION ON ISSUERS.—It shall be unlawful
21 for any person other than a permitted payment stablecoin
22 issuer to issue a payment stablecoin in the United States.

23 (b) LIMITATION ON OFFERING OR SELLING.—

24 (1) IN GENERAL.—After the end of the 18-
25 month period beginning on the date of enactment of

1 this Act, it shall be unlawful for any custodial inter-
2 mediary to offer or sell a payment stablecoin in the
3 United States unless the payment stablecoin was
4 issued by a permitted payment stablecoin issuer.

5 (2) EXCEPTIONS FOR COMPARABLE PAYMENT
6 STABLECOIN REGIMES.—

7 (A) IN GENERAL.—Paragraph (1) and sub-
8 section (a) shall not apply to the offer or sale
9 of a payment stablecoin if—

10 (i) the payment stablecoin was issued
11 by a foreign payment stablecoin issuer;

12 (ii) the foreign payment stablecoin
13 issuer is subject to regulation by a foreign
14 payment stablecoin regulator of a nation
15 with a payment stablecoin regulatory re-
16 gime that the Secretary of the Treasury
17 determines under subparagraph (B) is
18 comparable to the requirements under this
19 Act; and

20 (iii) the foreign payment stablecoin
21 issuer consents to be subject to reporting
22 and examination requirements, as deter-
23 mined by—

1 (I) the Comptroller, if the foreign
2 payment stablecoin issuer is a
3 nonbank; or

4 (II) the Board, if the foreign
5 payment stablecoin issuer is a banking
6 institution or subsidiary thereof.

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

17 (C) PUBLIC NOTICE.—The Secretary shall
18 make the list of nations for which a determina-
19 tion has been made under subparagraph (B)
20 available to the public, and keep such list cur-
21 rent.

22 (D) RESCINDING DETERMINATIONS.—

23 (i) SECRETARIAL ACTION.—The Sec-
24 retary may, in consultation with the pri-
25 mary Federal payment stablecoin regu-

1 lators, rescind a determination made under
2 subparagraph (B) with respect to a foreign
3 nation, if the Secretary determines that
4 the regulatory regime of such nation is no
5 longer comparable to the requirements
6 under this Act.

7 (ii) SAFEHARBORS.—If the Secretary
8 rescinds a determination pursuant to
9 clause (i), a custodial intermediary shall
10 not be in violation of this subsection by
11 reason of the offer or sale of a payment
12 stablecoin issued by such nation’s foreign
13 payment stablecoin issuer until 90 days
14 after the determination is rescinded.

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

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

22 (d) RULE OF CONSTRUCTION.—This section does not
23 apply to transactions in digital assets for an individual’s
24 own lawful purposes by means of a software or hardware

1 wallet that facilitates such individual's own custody of dig-
2 ital assets.

3 **SEC. 4. REQUIREMENTS FOR ISSUING PAYMENT**
4 **STABLECOINS.**

5 (a) STANDARDS FOR THE ISSUANCE OF PAYMENT
6 STABLECOINS.—

7 (1) IN GENERAL.—Each permitted payment
8 stablecoin issuer shall—

9 (A) maintain reserves backing the issuer's
10 outstanding payment stablecoins on an at least
11 1 to 1 basis, with reserves comprising—

12 (i) United States currency (including
13 Federal reserve notes) or money standing
14 to the credit of an account with a Federal
15 reserve bank;

16 (ii) funds held as demand deposits (or
17 other deposits that may be withdrawn
18 upon request at any time) at insured de-
19 pository institutions (including foreign
20 branches and agencies of insured deposi-
21 tory institutions) or approved foreign de-
22 pository institutions (as defined in para-
23 graph (5)(A)(v)) or share drafts (or other
24 deposits that may be withdrawn upon re-
25 quest at any time) at insured credit

1 unions, subject to limitations established
2 by the Corporation and the National Cred-
3 it Union Administration, respectively, to
4 address safety and soundness risks of such
5 insured depository institutions;

6 (iii) Treasury bills, notes, or bonds—
7 (I) with a remaining maturity of
8 93 days or less; or

9 (II) issued with a maturity of 93
10 days or less;

11 (iv) repurchase agreements, wherein
12 the permitted payment stablecoin issuer is
13 acting as a seller of securities, or reverse
14 repurchase agreements, wherein the per-
15 mitted payment stablecoin issuer is acting
16 as a purchaser of securities, with an over-
17 night maturity and that are backed by
18 Treasury bills with a maturity of 93 days
19 or less that are—

20 (I) centrally cleared through a
21 clearing agency registered with the
22 Securities and Exchange Commission;
23 or

24 (II) bilateral, settling either
25 through delivery versus payment or

1 through a tri-party control account,
2 with a counterparty that the issuer
3 has determined to be adequately cred-
4 it worthy even in the event of severe
5 market stress; or

6 (v) securities issued by an investment
7 company under section 8(a) of the Invest-
8 ment Company Act of 1940 that operates
9 as a money market fund in compliance
10 with Rule 2a-7 under the Investment Com-
11 pany Act of 1940 (or any successor rule)
12 and that are invested solely in the under-
13 lying assets described in clauses (i)
14 through (iv);

15 (B) publicly disclose the issuer's redemp-
16 tion policy;

17 (C) establish procedures for timely redemp-
18 tion of the issuer's outstanding payment
19 stablecoins; and

20 (D) publish a report on the monthly com-
21 position of the issuer's reserves on the website
22 of the issuer, containing—

23 (i) the total number of outstanding
24 payment stablecoins issued by the issuer;
25 and

1 (ii) the amount and composition of
2 the reserves described under subparagraph
3 (A).

4 (2) ELIGIBILITY.—Nothing in this Act shall be
5 construed as expanding or contracting legal eligi-
6 bility to make deposits, or hold an account, at a
7 Federal reserve bank.

8 (3) PROHIBITION ON REHYPOTHECATION.—Re-
9 serves described under paragraph (1)(A) may not be
10 pledged, rehypothecated, or reused, except—

11 (A) for the purpose of satisfying obliga-
12 tions associated with reserves described under
13 paragraph (1)(A)(iv); or

14 (B) by an insured depository institution
15 that provides custodial or safekeeping services
16 for payment stablecoin reserves in the form of
17 cash on deposit.

18 (4) MONTHLY CERTIFICATION; EXAMINATION
19 OF REPORTS BY REGISTERED PUBLIC ACCOUNTING
20 FIRM.—

21 (A) IN GENERAL.—A permitted payment
22 stablecoin issuer shall, each month, have the in-
23 formation disclosed in the previous month-end
24 report required under paragraph (1)(D) exam-

1 ined by an independent registered public ac-
2 counting firm.

3 (B) CERTIFICATION.—Each month, the
4 Chief Executive Officer and Chief Financial Of-
5 ficer of a permitted payment stablecoin issuer
6 shall submit to, as applicable, the primary Fed-
7 eral payment stablecoin regulator or, in the
8 case of a State qualified payment stablecoin
9 issuer, the State payment stablecoin regulator,
10 a certification that, based on such officers’
11 knowledge, the previous month-end report re-
12 quired under paragraph (1)(D)—

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

19 (ii) fairly presented in all material re-
20 spects the information required under
21 paragraph (1)(D) for the period presented
22 in such report.

23 (C) CRIMINAL PENALTIES.—Whoever—

24 (i) submits a certification set forth in
25 subparagraph (B) knowing that the report

1 to which the certification relates does not
2 fairly present, in all material respects, the
3 information required to be contained in
4 such report shall be fined not more than
5 \$1,000,000 or imprisoned not more than
6 10 years, or both; or

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

15 (5) CAPITAL, LIQUIDITY, RISK MANAGEMENT,
16 AND OTHER REQUIREMENTS.—

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

21 (i) capital requirements applicable to
22 a permitted payment stablecoin issuer
23 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 on-
6 going operations of a permitted pay-
7 ment stablecoin issuer; and

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

16 (ii) requirements implementing liquid-
17 ity standards applicable to reserves de-
18 scribed in paragraph (1) for a permitted
19 payment stablecoin issuer, which may not
20 exceed an amount that is sufficient to en-
21 sure the financial integrity of a permitted
22 payment stablecoin issuer and the ability
23 of the issuer to meet the financial obliga-
24 tions of the issuer, including redemptions;

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 on-
10 going operations of a permitted pay-
11 ment stablecoin issuer; and

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

18 (v) requirements regarding the ap-
19 proval of foreign depository institutions
20 that may hold demand deposits of a per-
21 mitted payment stablecoin issuer.

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

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

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

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

4 (ii) RULES RELATING TO LEVERAGE
5 CAPITAL REQUIREMENTS OR RISK-BASED
6 CAPITAL REQUIREMENTS.—Where an in-
7 sured 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 require-
17 ment on such insured depository institu-
18 tion or depository institution holding com-
19 pany, shall not require such insured depos-
20 itory institution or depository institution
21 holding company to hold, with respect to
22 the permitted payment stablecoin issuer
23 and its assets and operations, any amount
24 of regulatory capital in excess of the cap-
25 ital that such permitted payment

1 stablecoin issuer must maintain under the
2 capital requirements promulgated pursuant
3 to paragraph (5)(A)(i).

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

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

1 size and complexity of such issuers, including
2 by requiring each permitted payment stablecoin
3 issuer to—

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

8 (I) an appropriate risk assess-
9 ment;

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

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

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

16 (V) an independent audit func-
17 tion to test programs;

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

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

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

1 stablecoin and appropriate customer due
2 diligence.

3 (7) COMPLIANCE WITH SANCTIONS.—A per-
4 mitted payment stablecoin issuer shall comply with
5 all laws and regulations related to United States
6 sanctions administered by the Office of Foreign As-
7 sets Control.

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

11 (A) issue payment stablecoins;

12 (B) redeem payment stablecoins;

13 (C) manage related reserves (including
14 purchasing, selling, and holding reserve assets);

15 (D) provide custodial or safekeeping serv-
16 ices for payment stablecoins and private keys of
17 payment stablecoins;

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

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

23 (G) undertake such non-payment
24 stablecoin activities that are allowed by the pri-
25 mary Federal 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
21 this Act or 60 days after the rulemaking de-
22 scribed in subsection (d) is completed, which-
23 ever is earlier, a State payment stablecoin regu-
24 lator may submit to the Secretary of the Treas-
25 ury a certification that the regulatory regime of

1 the State for issuing payment stablecoins meets
2 or exceeds the standards and requirements de-
3 scribed in subsection (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 certifi-
8 cation 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 stand-
14 ards and requirements described in subsection
15 (a); 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
2 an 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 expla-
6 nation of material changes to the State regu-
7 latory regime under subparagraph (A), the pay-
8 ment stablecoin regulator shall make such ex-
9 planation in the same manner, and containing
10 the same attestation, as described under para-
11 graph (3) for a certification.

12 (5) ADVISORY OPINIONS ON PROPOSED LAWS
13 OR REGULATIONS.—Upon request of any State pay-
14 ment stablecoin regulator, the Secretary of the
15 Treasury 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
24 regulatory regime for issuing payment
25 stablecoins that meets or exceeds the

1 standards and requirements described in
2 subsection (a); or

3 (ii) provide the State payment
4 stablecoin regulator with a detailed expla-
5 nation of why the proposed law or regula-
6 tion is not consistent with a State regu-
7 latory regime for issuing payment
8 stablecoins that meets or exceeds the
9 standards and requirements described in
10 subsection (a).

11 (6) REGIMES THAT ARE NOT SUBSTANTIALLY
12 SIMILAR.—

13 (A) IN GENERAL.—The Secretary of the
14 Treasury may reject a certification under para-
15 graph (3) or a certification with respect to
16 which a State payment stablecoin regulator has
17 submitted an explanation of material changes
18 under paragraph (4), if the Secretary, not later
19 than 30 days after the date on which the initial
20 certification or explanation of material changes
21 is submitted—

22 (i) determines that the State regu-
23 latory regime does not meet or exceed the
24 standards and requirements described in
25 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
10 rejection described under subparagraph
11 (A), the Secretary of the Treasury shall
12 provide the State payment stablecoin regu-
13 lator with not less than a 180-day period
14 from the date on which the State payment
15 stablecoin regulator is notified of such re-
16 jection to—

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

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

1 (ii) REJECTION.—If, after a State
2 payment stablecoin regulator makes
3 changes described under clause (i) during
4 the period described in clause (i), the Sec-
5 retary of the Treasury determines that the
6 certification should be rejected, the Sec-
7 retary of the Treasury shall, not later than
8 30 days after such determination, provide
9 the State payment stablecoin regulator
10 with a written explanation for the deter-
11 mination, describing the reasoned basis for
12 the determination with sufficient detail
13 such that the State can bring its regime
14 into compliance based on the explanation.

15 (C) APPEAL OF REJECTION.—

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

1 and requirements described in subsection
2 (a), reverse such rejection.

3 (ii) REVIEW BY THE SUPREME
4 COURT.—The judgment and decree of the
5 Court of Appeals shall be final, except that
6 the same shall be subject to review by the
7 Supreme Court upon certiorari, as pro-
8 vided in section 1254 of title 28.

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

13 (7) APPROPRIATE EXEMPTIVE RELIEF.—The
14 Secretary of the Treasury shall issue such rules and
15 orders as are necessary to provide appropriate ex-
16 emptive relief and safe harbors for State qualified
17 payment stablecoin issuers to continue operations
18 during such periods in which any rules promulgated
19 pursuant to subsection (a) materially affect a pre-
20 viously certified State regulatory regime’s ability to
21 meet or exceed the standards and requirements de-
22 scribed in subsection (a).

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

1 (1) IN GENERAL.—Payment stablecoins are not
2 backed by the full faith and credit of the United
3 States, guaranteed by the United States Govern-
4 ment, subject to deposit insurance by the Corpora-
5 tion, or subject to share insurance by the National
6 Credit Union Administration.

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

13 (3) DISCLOSURE.—Permitted payment
14 stablecoin issuers shall clearly and prominently dis-
15 close on their website that payment stablecoins
16 issued by such permitted payment stablecoin issuer
17 are not guaranteed by the United States Govern-
18 ment, covered by deposit insurance by the Federal
19 Deposit Insurance Corporation, or by share insur-
20 ance of the National Credit Union Administration.

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

24 (A) section 18(a)(4) of the Federal Deposit
25 Insurance Act (relating to the prohibition on

1 false advertising in connection with deposit in-
2 surance, the misuse of FDIC names, and mis-
3 representations of insured status);

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

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

9 (D) other remedies available under the law.

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

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

16 (2) a director of a payment stablecoin issuer.

17 (e) RULEMAKING.—

18 (1) IN GENERAL.—The primary Federal pay-
19 ment stablecoin regulators may issue such orders
20 and regulations as may be necessary to administer
21 and carry out the requirements of this section, in-
22 cluding to establish conditions, and to prevent eva-
23 sions thereof.

24 (2) JOINT ISSUANCE OF REGULATION.—All reg-
25 ulations issued to carry out this section by the pri-

1 mary Federal payment stablecoin regulators shall be
2 issued jointly, after consultation with State payment
3 stablecoin regulators.

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

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

12 (a) IN GENERAL.—

13 (1) APPLICATION.—

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

21 (B) SHARING OF INFORMATION.—With re-
22 spect to applications submitted by State-char-
23 tered insured depository institutions, the pri-
24 mary Federal payment stablecoin regulator

1 shall share such applications with the relevant
2 State bank or State credit union supervisor.

3 (C) COMPLETION OF APPLICATION.—

4 (i) IN GENERAL.—The primary Fed-
5 eral payment stablecoin regulator shall
6 consider an application complete if such
7 application contains sufficient information
8 for the primary Federal payment
9 stablecoin regulator to render a decision on
10 whether the application meets the require-
11 ments set forth in section 4.

12 (ii) MATERIAL CHANGE IN CIR-
13 CUMSTANCES.—An application described
14 under clause (i) that is considered com-
15 plete shall remain complete unless the pri-
16 mary Federal payment stablecoin regulator
17 determines that a material change in cir-
18 cumstances requires otherwise.

19 (2) EVALUATION OF APPLICATIONS.—A com-
20 plete application received under paragraph (1) shall
21 be evaluated by the primary Federal payment
22 stablecoin regulator based on the ability of the sub-
23 sidiary of the applicant to meet the requirements set
24 forth in section 4.

1 (3) TIMING FOR DECISION; GROUNDS FOR DE-
2 NIAL.—

3 (A) TIMING.—The primary Federal pay-
4 ment stablecoin regulator shall—

5 (i) not later than 30 days after receiv-
6 ing the application—

7 (I) inform the applicant whether
8 the applicant has submitted a com-
9 plete application; and

10 (II) if the application is not com-
11 plete, inform the applicant of the ad-
12 ditional information the applicant
13 must provide in order for the applica-
14 tion to be considered complete; and

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

19 (B) DENIAL OF APPLICATION.—

20 (i) GROUNDS FOR DENIAL.—

21 (I) IN GENERAL.—The primary
22 Federal payment stablecoin regulator
23 may only deny a complete application
24 received under paragraph (1) if the
25 regulator determines that the activi-

1 ties of the applicant would be unsafe
2 or unsound based on the ability of the
3 subsidiary of the applicant to meet
4 the requirements set forth in section
5 4.

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

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

18 (I) written notice explaining the
19 denial with specificity, including all
20 findings made by the regulator with
21 respect to all identified material short-
22 comings in the application; and

23 (II) actionable recommendations
24 on how the applicant could address
25 the identified material shortcomings.

1 (iii) OPPORTUNITY FOR HEARING;
2 FINAL DETERMINATION.—

3 (I) IN GENERAL.—Not later than
4 30 days after the date of receipt of
5 any notice of the denial of an applica-
6 tion under this subsection, the appli-
7 cant may request, in writing, an op-
8 portunity for a written or oral hearing
9 before the primary Federal payment
10 stablecoin regulator to appeal the de-
11 nial.

12 (II) TIMING.—Upon receipt of a
13 timely request, the primary Federal
14 payment stablecoin regulator shall no-
15 tice a time (not later than 30 days
16 after the date of receipt of the re-
17 quest) and place at which the appli-
18 cant may appear, personally or
19 through counsel, to appeal the denial,
20 to submit written materials, or to pro-
21 vide oral testimony and oral argu-
22 ment.

23 (III) FINAL DETERMINATION.—
24 Not later than 60 days after the date
25 of a hearing under this clause, the

1 primary Federal payment stablecoin
2 regulator shall notify the applicant of
3 the final determination of the primary
4 Federal payment stablecoin regulator
5 with respect to the appeal, which shall
6 contain a statement of the basis for
7 such determination, with specific find-
8 ings.

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

21 (C) FAILURE TO RENDER A DECISION.—If
22 the primary Federal payment stablecoin regu-
23 lator fails to render a decision on a complete
24 application within the time period specified in

1 subparagraph (A), the application shall be
2 deemed approved.

3 (D) RIGHT TO REAPPLY.—The denial of
4 an application under this subsection shall not
5 prohibit the applicant from filing a subsequent
6 application.

7 (4) REPORT ON PENDING APPLICATIONS.—
8 Each of the primary Federal payment stablecoin
9 regulators shall annually report to Congress on—

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

13 (B) the number of calendar days each ap-
14 plicant with an outstanding application has
15 waited for a decision; and

16 (C) the number of applications that have
17 been pending for 6 months or longer since the
18 date of the initial application filed under para-
19 graph (1) where the applicant has been in-
20 formed that the application remains incomplete,
21 including providing documentation on the sta-
22 tus of the application and why the application
23 has not yet been approved.

24 (5) RULEMAKING.—

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

8 (B) TAILORING OF RULES.—The joint
9 rulemaking required under subparagraph (A)
10 shall be tailored so as to minimize any incre-
11 mental burden placed on well capitalized and
12 highly-rated insured depository institutions.

13 (b) EFFECTIVE DATE.—

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

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

18 (B) the date that is 120 days after the
19 date on which the primary Federal payment
20 stablecoin regulators issue final regulations im-
21 plementing this section.

22 (2) NOTICE TO CONGRESS.—Each of the pri-
23 mary Federal payment stablecoin regulators shall
24 notify Congress upon receiving their first applica-
25 tion.

1 (c) EFFECT ON STATE LAW FOR PAYMENT
2 STABLECOIN ISSUERS APPROVED BY FEDERAL PAYMENT
3 STABLECOIN REGULATORS UNDER THIS SECTION.—The
4 provisions of this section preempt any conflicting State
5 law and supersede any State licensing requirement for any
6 nonbank entity or subsidiary of an insured depository in-
7 stitution or credit union that is approved under this sec-
8 tion to be a permitted payment stablecoin issuer.

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

13 (a) SUPERVISION.—

14 (1) SUBSIDIARY OF AN INSURED DEPOSITORY
15 INSTITUTION.—

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

22 (B) GRAMM-LEACH-BLILEY ACT.—For
23 purposes of title V of the Gramm-Leach-Bliley
24 Act (15 U.S.C. 6801 et seq.) each permitted
25 payment stablecoin issuer that is a subsidiary

1 of an insured depository institution shall be
2 deemed a financial institution.

3 (2) FEDERAL QUALIFIED NONBANK PAYMENT
4 STABLECOIN ISSUER.—

5 (A) SUBMISSION OF REPORTS.—Each Fed-
6 eral qualified nonbank payment stablecoin
7 issuer shall, upon request, submit reports to the
8 Comptroller as to—

9 (i) the financial condition of the Fed-
10 eral qualified nonbank payment stablecoin
11 issuer;

12 (ii) the systems of the Federal quali-
13 fied nonbank payment stablecoin issuer for
14 monitoring and controlling financial and
15 operating risks; and

16 (iii) compliance with this Act and reg-
17 ulations issued pursuant to this Act by the
18 Federal qualified nonbank payment
19 stablecoin issuer.

20 (B) EXAMINATIONS.—The Comptroller
21 may examine a Federal qualified nonbank pay-
22 ment stablecoin issuer in order to inform the
23 Comptroller of—

1 (i) the nature of the operations and fi-
2 nancial condition of the Federal qualified
3 nonbank payment stablecoin issuer;

4 (ii) the financial, operational, and
5 other risks within the Federal qualified
6 nonbank payment stablecoin issuer that
7 may pose a threat to—

8 (I) the safety and soundness of
9 the Federal qualified nonbank pay-
10 ment stablecoin issuer; or

11 (II) the stability of the financial
12 system of the United States;

13 (iii) the systems of the Federal quali-
14 fied nonbank payment stablecoin issuer for
15 monitoring and controlling the risks de-
16 scribed in clause (ii);

17 (iv) the compliance of the Federal
18 qualified nonbank payment stablecoin
19 issuer with this Act and regulations issued
20 pursuant to this Act; and

21 (v) the compliance of the Federal
22 qualified nonbank payment stablecoin
23 issuer with the requirements of the Bank
24 Secrecy Act and laws authorizing the im-

1 position of sanctions and implemented by
2 the Secretary of the Treasury.

3 (C) REQUIREMENTS FOR EFFICIENCY.—In
4 supervising and examining a Federal qualified
5 nonbank payment stablecoin issuer, the Comp-
6 troller shall, to the fullest extent possible, use
7 existing reports and other supervisory informa-
8 tion.

9 (D) AVOIDANCE OF DUPLICATION.—The
10 Comptroller shall, to the fullest extent possible,
11 avoid duplication of examination activities, re-
12 porting requirements, and requests for informa-
13 tion in carrying out this Act with respect to a
14 Federal qualified nonbank payment stablecoin
15 issuer.

16 (E) GRAMM-LEACH-BLILEY ACT.—For
17 purposes of title V of the Gramm-Leach-Bliley
18 Act (15 U.S.C. 6801 et seq.) each Federal
19 qualified nonbank payment stablecoin issuer
20 shall be deemed a financial institution.

21 (b) ENFORCEMENT.—

22 (1) SUSPENSION OR REVOCATION OF REGISTRA-
23 TION.—The primary Federal payment stablecoin
24 regulator may prohibit a permitted payment
25 stablecoin issuer from issuing payment stablecoins, if

1 the primary Federal payment stablecoin regulator
2 determines that such permitted payment stablecoin
3 issuer, or an institution-affiliated party of the per-
4 mitted payment stablecoin issuer, is—

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

9 (B) materially violating or has materially
10 violated any condition imposed in writing by the
11 primary Federal payment stablecoin regulator
12 in connection with a written agreement entered
13 into between the permitted payment stablecoin
14 issuer and the primary Federal payment
15 stablecoin regulator.

16 (2) CEASE-AND-DESIST PROCEEDINGS.—If the
17 primary Federal payment stablecoin regulator has
18 reasonable cause to believe that a permitted payment
19 stablecoin issuer or any institution-affiliated party of
20 a permitted payment stablecoin issuer is violating,
21 has violated, or is attempting to violate this Act, any
22 regulation or order issued under this Act, or any
23 written agreement entered into with the primary
24 Federal payment stablecoin regulator or condition
25 imposed in writing by the primary Federal payment

1 stablecoin regulator in connection with any applica-
2 tion or other request, the primary Federal payment
3 stablecoin regulator may order the permitted pay-
4 ment stablecoin issuer or institution-affiliated party
5 of the permitted payment stablecoin issuer to—

6 (A) cease and desist from such violation or
7 practice; or

8 (B) take affirmative action to correct the
9 conditions resulting from any such violation or
10 practice.

11 (3) REMOVAL AND PROHIBITION AUTHORITY.—

12 The primary Federal payment stablecoin regulator
13 may remove an institution-affiliated party of a per-
14 mitted payment stablecoin issuer from their position
15 or office or prohibit further participation in the af-
16 fairs of the permitted payment stablecoin issuer or
17 all permitted payment stablecoin issuers by such in-
18 stitution-affiliated party, if the primary Federal pay-
19 ment stablecoin regulator determines that—

20 (A) the institution-affiliated party has, di-
21 rectly or indirectly, committed a violation or at-
22 tempted violation of this Act or any regulation
23 or order issued under this Act; or

24 (B) the institution-affiliated party has
25 committed a violation of any provision of sub-

1 chapter II of chapter 53 of title 31, United
2 States Code.

3 (4) PROCEDURES.—

4 (A) IN GENERAL.—If the primary Federal
5 payment stablecoin regulator identifies a viola-
6 tion or attempted violation of this Act or makes
7 a determination under paragraph (1), (2), or
8 (3), the primary Federal payment stablecoin
9 regulator shall comply with the procedures set
10 forth, as applicable, in—

11 (i) subsections (b) and (e) of sections
12 8 of the Federal Deposit Insurance Act
13 (12 U.S.C. 1818); or

14 (ii) subsections (e) and (g) of section
15 206 of the Federal Credit Union Act (12
16 U.S.C. 1786).

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

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

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

1 (C) INJUNCTION.—The primary Federal
2 payment stablecoin regulator may, in the dis-
3 cretion of the regulator, follow the procedures
4 for judicial enforcement of any effective and
5 outstanding notice or order issued under this
6 subsection provided, as applicable, in—

7 (i) section 8(i)(1) of the Federal De-
8 posit Insurance Act (12 U.S.C.
9 1818(i)(1)); or

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

12 (D) TEMPORARY CEASE-AND-DESIST PRO-
13 CEEDINGS.—If the primary Federal payment
14 stablecoin regulator determines that a violation
15 or attempted violation of this Act or an action
16 with respect to which a determination was made
17 under paragraph (1), (2), or (3), or the con-
18 tinuation thereof, is likely to cause insolvency or
19 significant dissipation of assets or earnings of a
20 permitted payment stablecoin issuer, or is likely
21 to weaken the condition of the permitted pay-
22 ment stablecoin issuer or otherwise prejudice
23 the interests of the customers of the permitted
24 payment stablecoin issuer prior to the comple-
25 tion of the proceedings conducted under this

1 paragraph, the primary Federal payment
2 stablecoin regulator may follow the procedures
3 provided, as applicable, in—

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

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

10 (5) CIVIL MONEY PENALTIES.—

11 (A) FAILURE TO BE APPROVED.—Any per-
12 son who issues a payment stablecoin and who is
13 not a permitted payment stablecoin issuer, and
14 any institution-affiliated party of such a person
15 who knowingly participates in issuing such a
16 payment stablecoin, shall be liable for a civil
17 penalty of not more than \$100,000 for each day
18 during which such payment stablecoins are out-
19 standing.

20 (B) FIRST TIER.—Except as provided in
21 subparagraph (A), a permitted payment
22 stablecoin issuer or institution-affiliated party
23 of such permitted payment stablecoin issuer
24 that materially violates this Act or any regula-
25 tion or order issued under this Act, or that ma-

1 terially violates any condition imposed in writ-
2 ing by the primary Federal payment stablecoin
3 regulator in connection with a written agree-
4 ment entered into between the permitted pay-
5 ment stablecoin issuer and the primary Federal
6 payment stablecoin regulator, shall be liable for
7 a civil penalty of up to \$100,000 for each day
8 during which the violation continues.

9 (C) SECOND TIER.—Except as provided in
10 subparagraph (A), and in addition to the pen-
11 alties described under subparagraph (B), a per-
12 mitted payment stablecoin issuer or institution-
13 affiliated party of such permitted payment
14 stablecoin issuer who knowingly participates in
15 a violation of any provision of this Act, or any
16 regulation or order issued thereunder, is liable
17 for a civil penalty of up to an additional
18 \$100,000 for each day during which the viola-
19 tion continues.

20 (D) PROCEDURE.—Any penalty imposed
21 under this paragraph may be assessed and col-
22 lected by the primary Federal payment
23 stablecoin regulator pursuant to the procedures
24 set forth, as applicable, in—

1 (i) section 8(i)(2) of the Federal De-
2 posit Insurance Act (12 U.S.C.
3 1818(i)(2)); or

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

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

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

1 (c) SHARING OF INFORMATION.—A State payment
2 stablecoin regulator and the primary Federal payment
3 stablecoin regulator shall share information on an ongoing
4 basis with respect to a permitted payment stablecoin
5 issuer that is a subsidiary of a State-chartered insured de-
6 pository institution.

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

8 (a) IN GENERAL.—With respect to a State, a State
9 payment stablecoin regulator shall have supervisory, ex-
10 amination, and enforcement authority over a State quali-
11 fied payment stablecoin issuer of such State.

12 (b) AUTHORITY TO ENTER INTO AGREEMENTS.—

13 (1) IN GENERAL.—A State payment stablecoin
14 regulator may enter into a memorandum of under-
15 standing with the primary Federal banking agency
16 and Comptroller setting out the manner in which the
17 primary Federal banking agency and Comptroller
18 may participate in the supervision, examination, and
19 enforcement authority with respect to the State
20 qualified payment stablecoin issuers of such State.

21 (2) RULE OF CONSTRUCTION.—Nothing in this
22 subsection or a memorandum entered into under this
23 subsection may be construed to limit the authority
24 of the primary Federal banking agency or Comp-

1 troller under subsection (e) or any other provision of
2 law.

3 (c) SHARING OF INFORMATION.—

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

12 (2) PRIVILEGES NOT AFFECTED BY SHARING
13 OF INFORMATION.—The sharing of information
14 under paragraph (1) shall not be construed as
15 waiving, destroying, or otherwise affecting any privi-
16 lege applicable to such information under Federal or
17 State law as to any person or entity other than the
18 State payment stablecoin regulator, the Comptroller,
19 the Board, the Corporation, and the National Credit
20 Union Administration.

21 (d) RULEMAKING.—A State payment stablecoin regu-
22 lator may, to the same extent as the primary Federal pay-
23 ment stablecoin regulators issue orders and rules under
24 section 4 applicable to a permitted payment stablecoin
25 issuer that is not a State qualified payment stablecoin

1 issuer, issue orders and rules related to the requirements
2 under section 4 applicable to State qualified payment
3 stablecoin issuers.

4 (e) BACK-UP ENFORCEMENT AUTHORITY.—

5 (1) BY THE PRIMARY FEDERAL BANKING AGEN-
6 CY.—

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

16 (i) the applicable State payment
17 stablecoin regulator has not commenced an
18 enforcement action to correct such viola-
19 tion; and

20 (ii) failure to take such action would
21 create a material risk of loss to holders of
22 such issuer's stablecoins or create a mate-
23 rial threat to U.S. financial stability.

24 (B) RULEMAKING.—Not later than the end
25 of the 180-day period beginning on the date of

1 enactment of this Act, the primary Federal
2 banking agencies shall issue rules to set forth
3 the standards that would be used by the pri-
4 mary Federal bank agencies to exercise the
5 back-up authority under this paragraph.

6 (C) BACK-UP AUTHORITY UNDER SECTION
7 6(b).—Solely for purposes of carrying out this
8 paragraph, section 6(b) shall apply to a State
9 qualified payment stablecoin issuer that is a
10 subsidiary of an insured depository institution
11 as if the primary Federal banking agency were
12 the primary Federal payment stablecoin regu-
13 lator with respect to the State qualified pay-
14 ment stablecoin issuer.

15 (D) PRIMARY FEDERAL BANKING AGENCY
16 DEFINED.—In this section—

17 (i) the term “primary Federal bank-
18 ing agency” means—

19 (I) the appropriate Federal bank-
20 ing agency; and

21 (II) the National Credit Union
22 Administration, in the case of an in-
23 sured credit union; and

24 (ii) the term “primary Federal bank-
25 ing agencies” means the Board, the Comp-

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

3 (2) BY THE COMPTROLLER.—

4 (A) IN GENERAL.—Subject to subpara-
5 graph (C), the Comptroller may, after not less
6 than 48 hours prior written notice to any appli-
7 cable State payment stablecoin regulator, take
8 an enforcement action against a State qualified
9 payment stablecoin issuer that is a nonbank en-
10 tity or an institution-affiliated party thereof for
11 violations of this Act if—

12 (i) the applicable State payment
13 stablecoin regulator has not commenced an
14 enforcement action to correct such viola-
15 tion; and

16 (ii) failure to take such action would
17 create a material risk of loss to holders of
18 such issuer's stablecoins or create a mate-
19 rial threat to U.S. financial stability.

20 (B) RULEMAKING.—Not later than the end
21 of the 180-day period beginning on the date of
22 enactment of this Act, the Comptroller shall
23 issue rules to set forth the standards that would
24 be used by the Comptroller to exercise the back-
25 up authority under this paragraph.

1 (C) BACK-UP AUTHORITY UNDER SECTION
2 6(b).—Solely for purposes of carrying out this
3 paragraph, section 6(b) shall apply to a State
4 qualified payment stablecoin issuer that is a
5 nonbank entity as if the Comptroller were the
6 primary Federal payment stablecoin regulator
7 with respect to the State qualified payment
8 stablecoin issuer.

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

13 (g) INTERSTATE PAYMENT STABLECOIN MARKET.—

14 (1) DEFINITIONS.—For the purposes of this
15 subsection—

16 (A) the term “home State” means the
17 State of a State qualified payment stablecoin
18 issuer’s State payment stablecoin regulator; and

19 (B) the term “host State” means a State
20 other than that of the State qualified payment
21 stablecoin issuer’s State payment stablecoin
22 regulator.

23 (2) AUTHORITY TO ISSUE PAYMENT
24 STABLECOINS IN HOST STATES.—Subject to the re-
25 quirements of paragraph (3), a State qualified pay-

1 ment stablecoin issuer may issue payment
2 stablecoins in a host State without a charter or li-
3 cense to issue payment stablecoins from such host
4 State.

5 (3) STATE OBLIGATIONS.—Where a State quali-
6 fied payment stablecoin issuer issues a payment
7 stablecoin in a host State pursuant to paragraph
8 (2)—

9 (A) such State qualified payment
10 stablecoin issuer shall notify any State payment
11 stablecoin regulator in such host State of the
12 issuer’s intention to do business in the host
13 State no less than 30 days before such issuer
14 commences business in the host State and in a
15 manner prescribed by the host State’s State
16 payment stablecoin regulator or State banking
17 regulator if such State does not have a regime
18 certified under section 4(b), provided that such
19 notice does not impose a de facto licensure or
20 chartering requirement on such State qualified
21 payment stablecoin issuer;

22 (B) such State qualified payment
23 stablecoin issuer shall comply with all require-
24 ments of the issuer’s home State regulatory re-
25 gime when conducting business in the host

1 State, and where the host State maintains a
2 payment stablecoin regulatory regime that is
3 certified under section 4(b), such issuer shall
4 comply with any obligations of the host State's
5 payment stablecoin regulatory regime that ex-
6 ceed those of such issuer's home State regu-
7 latory regime;

8 (C) where the host State does not maintain
9 a payment stablecoin regulatory regime that is
10 certified under section 4(b), such State quali-
11 fied payment stablecoin issuer shall remain sub-
12 ject to all applicable consumer protection laws
13 of such host State; and

14 (D) where the host State maintains a pay-
15 ment stablecoin regulatory regime that is cer-
16 tified under section 4(b), such State qualified
17 payment stablecoin issuer shall remain subject
18 to applicable consumer protection laws of such
19 host State, but only to the same extent as State
20 qualified payment stablecoin issuers chartered
21 or licensed in that host State.

22 **SEC. 8. CUSTOMER PROTECTION.**

23 (a) IN GENERAL.—A person may only engage in the
24 business of providing custodial or safekeeping services for
25 permitted payment stablecoins, reserves described in sec-

1 tion 4(a)(1)(A), or private keys of permitted payment
2 stablecoins, if the person—

3 (1) is subject to—

4 (A) supervision or regulation by a primary
5 Federal payment stablecoin regulator or a pri-
6 mary financial regulatory agency described
7 under subparagraph (B) or (C) of section 2(12)
8 of the Dodd-Frank Wall Street Reform and
9 Consumer Protection Act (12 U.S.C.
10 5301(12)); or

11 (B) supervision by a State bank super-
12 visor, as defined in section 3 of the Federal De-
13 posit Insurance Act (12 U.S.C. 1813) or a
14 State credit union supervisor, as defined in sec-
15 tion 6003 of the Anti-Money Laundering Act of
16 2020 (31 U.S.C. 5311 note), and such State
17 bank supervisor or State credit union supervisor
18 makes available to the Board such information
19 as the Board determines necessary and relevant
20 to the categories of information under sub-
21 section (d); and

22 (2) complies with the segregation requirements
23 under subsections (b), (c), and (d), unless such per-
24 son complies with similar requirements as required
25 by the Board, the Comptroller, the Corporation, the

1 Securities and Exchange Commission, or the Com-
2 modity Futures Trading Commission, as applicable.

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

5 (1) treat and deal with the payment stablecoins,
6 private keys, cash, and other property of another
7 person for whom or on whose behalf the person re-
8 ceives, acquires, or holds payment stablecoins, pri-
9 vate keys, cash, and other property (hereinafter in
10 this section referred to as the “customer”) as be-
11 longing to such customer and not as the property of
12 such person; and

13 (2) take such steps as are appropriate to pro-
14 tect the payment stablecoins, private keys, cash, and
15 other property of a customer from the claims of
16 creditors of the person.

17 (c) COMMINGLING PROHIBITED.—

18 (1) IN GENERAL.—Payment stablecoins, cash,
19 and other property of a customer shall be separately
20 accounted for by a person described in subsection
21 (a) and shall not be commingled with the funds of
22 the person.

23 (2) CUSTOMER PRIORITY.—In any insolvency,
24 claims against reserves of a payment stablecoin
25 issuer from persons holding payment stablecoins

1 issued by the payment stablecoin issuer shall have
2 priority over all other claims, other than for admin-
3 istrative expenses, against the payment stablecoin
4 issuer.

5 (3) EXCEPTION.—Notwithstanding paragraph
6 (1)—

7 (A) the payment stablecoins, cash, and
8 other property of a customer may be commin-
9 gled and deposited in an omnibus account hold-
10 ing the payment stablecoins, cash, and other
11 property of more than 1 customer at a deposi-
12 tory institution (as defined in section 3 of the
13 Federal Deposit Insurance Act), trust company,
14 Federal credit union, or State credit union;

15 (B) such share of the payment stablecoins,
16 cash, and other property of the customer that
17 shall be necessary to transfer, adjust, or settle
18 a transaction or transfer of assets may be with-
19 drawn and applied to such purposes, including
20 the payment of commissions, taxes, storage,
21 and other charges lawfully accruing in connec-
22 tion with the provision of services by a person
23 described in subsection (a); and

24 (C) in accordance with such terms and
25 conditions as the Board may prescribe by rule,

1 regulation, or order, any customer payment
2 stablecoin, cash, and other property described
3 in this subsection may be commingled and de-
4 posited in customer accounts with payment
5 stablecoins, cash, and other property received
6 by the person and required by the Board to be
7 separately accounted for, treated, and dealt
8 with as belonging to customers.

9 (d) REGULATORY INFORMATION.—A person de-
10 scribed under subsection (a) shall submit to the primary
11 Federal payment stablecoin regulator (or, if the person
12 does not have a primary Federal payment stablecoin regu-
13 lator, to the Board) information concerning the person’s
14 business operations and processes to protect customer
15 payment stablecoins, cash, and other property, in such
16 form and manner as the primary Federal payment
17 stablecoin regulator (or, if the person does not have a pri-
18 mary Federal payment stablecoin regulator, the Board)
19 shall determine.

20 (e) EXCLUSION.—The requirements of this section
21 shall not apply to any person solely on the basis that such
22 person engages in the business of providing hardware or
23 software to facilitate a customer’s own custody or safe-
24 keeping of the customer’s payment stablecoins or private
25 keys.

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

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

4 (1) redeemable exclusively for other digital as-
5 sets, provided that such digital assets for which it is
6 redeemable are not primarily—

7 (A) payment stablecoins; or

8 (B) representations of permissible reserves
9 described under section 4(a)(1)(A) or similar
10 such assets; or

11 (2) primarily used within a system controlled by
12 such digital asset's issuer as a means of accessing
13 products, services, or loyalty rewards.

14 **SEC. 10. INTEROPERABILITY STANDARDS.**

15 (a) IN GENERAL.—The primary Federal payment
16 stablecoin regulators, in consultation with the National In-
17 stitute of Standards and Technology, other relevant stand-
18 ard setting organizations, and State governments—

19 (1) shall assess compatibility and interoper-
20 ability standards for permitted payment stablecoin
21 issuers; and

22 (2) if necessary, may, pursuant to section 553
23 of title 5 and in a manner consistent with the Na-
24 tional Technology Transfer and Advancement Act of
25 1995 (Public Law 104–113), prescribe standards for

1 payment stablecoin issuers to promote compatibility
2 and interoperability.

3 (b) AGREEMENTS WITH FOREIGN REGULATORS.—

4 The Secretary of the Treasury shall seek to enter into
5 agreements with foreign jurisdictions with comparable
6 payment stablecoin regulatory regimes to facilitate inter-
7 national transactions and interoperability with any United
8 States dollar-denominated payment stablecoins issued
9 overseas.

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

12 (a) MORATORIUM.—During the 2-year period begin-
13 ning on the date of enactment of this Act, it shall be un-
14 lawful to issue an endogenously collateralized stablecoin
15 not in existence on the date of enactment of this Act.

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

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

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

1 **SEC. 12. STUDIES AND REPORTS.**

2 (a) **STUDY BY TREASURY.**—The Secretary of the
3 Treasury, in consultation with the Board, the Comptroller,
4 the Corporation, the National Credit Union Administra-
5 tion, and the Securities and Exchange Commission, shall
6 carry out a study of non-payment stablecoins, including
7 decentralized stablecoins.

8 (b) **REPORT.**—Not later than 365 days after the date
9 of the enactment of this Act, the Secretary shall provide
10 to the Committee on Financial Services of the House of
11 Representatives and the Committee on Banking, Housing,
12 and Urban Affairs of the Senate a report that contains
13 all findings made in carrying out the study under sub-
14 section (a), including an analysis of—

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

18 (2) the participants in non-payment stablecoin
19 arrangements;

20 (3) utilization and potential utilization of non-
21 payment stablecoins;

22 (4) nature of reserve compositions;

23 (5) governance structure, including aspects of
24 decentralization;

25 (6) nature of public promotion and advertising;

26 and

1 (7) clarity and availability of consumer notices
2 disclosures.

3 (c) IMPACT STUDY.—

4 (1) IN GENERAL.—The Secretary of the Treas-
5 ury, in consultation with the Board, the Comptroller,
6 and the Corporation, the National Credit Union Ad-
7 ministration, and the Securities and Exchange Com-
8 mission, shall carry out a study on the impact of
9 payment stablecoins.

10 (2) REPORT.—Not later than 365 days after
11 the date of enactment of this Act, the Secretary
12 shall provide the Committee on Financial Services of
13 the House of Representatives and the Committee on
14 Banking, Housing, and Urban Affairs of the Senate
15 a report containing all findings made in carrying out
16 the study under paragraph (1), including an analysis
17 of—

18 (A) the impact of payment stablecoins on
19 the cost of domestic and cross-border payments
20 and remittances;

21 (B) the role of payment stablecoins in pro-
22 viding access to a stable currency in the Global
23 South;

1 (C) the use of payment stablecoins by pop-
2 ulations in the Global South to mitigate expo-
3 sure to the effects of inflations;

4 (D) the extent to which payment stablecoin
5 adoption reinforces the role of the United
6 States dollar as the world's reserve currency;
7 and

8 (E) the extent to which payment
9 stablecoins may expand demand for United
10 States Treasury securities and reduce the cost
11 of United States Government borrowing.

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

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

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

21 (a) **RULE OF CONSTRUCTION.**—Nothing in this Act
22 may be construed to limit the authority of a depository
23 institution, Federal credit union, State credit union, or
24 trust company to engage in activities permissible pursuant
25 to applicable State and Federal law, including—

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

3 (2) utilizing a distributed ledger for the books
4 and records of the entity and to affect intrabank
5 transfers; and

6 (3) providing custodial services for payment
7 stablecoins, private keys of payment stablecoins, or
8 reserves backing payment stablecoins.

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

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

23 (1) to include assets held in custody that are
24 not owned by the entity as a liability on the financial

1 statement or balance sheet of the entity, including
2 payment stablecoin custody or safekeeping activities;

3 (2) to hold regulatory capital against assets, in-
4 cluding reserves backing such assets described in
5 section 4(a)(1)(A), in custody or safekeeping, except
6 as necessary to mitigate against operational risks in-
7 herent with the custody or safekeeping services, as
8 determined by—

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

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

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

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

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

