

117TH CONGRESS
2D SESSION

S. _____

To provide a regulatory framework and consumer protections for the issuance of stablecoins, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. TOOMEY introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To provide a regulatory framework and consumer protections for the issuance of stablecoins, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stablecoin Trans-
5 parency of Reserves and Uniform Safe Transactions Act
6 of 2022” or the “Stablecoin TRUST Act of 2022”.

7 **SEC. 2. DEFINITIONS.**

8 In this Act:

9 (1) APPROPRIATE FEDERAL BANKING AGEN-
10 CY.—The term “appropriate Federal banking agen-

1 cy” has the meaning given the term in section 3 of
2 the Federal Deposit Insurance Act (12 U.S.C.
3 1813).

4 (2) CASH AND CASH EQUIVALENTS.—The term
5 “cash and cash equivalents” means—

6 (A) United States coins and currency as
7 described in section 5103 of title 31, United
8 States Code;

9 (B) any deposit with an insured depository
10 institution; and

11 (C) any cash equivalent.

12 (3) CASH EQUIVALENT.—The term “cash equiv-
13 alent” has the meaning given the term in section
14 220.2 of title 12, Code of Federal Regulations.

15 (4) DEPOSIT.—The term “deposit” has the
16 meaning given the term in section 3 of the Federal
17 Deposit Insurance Act (12 U.S.C. 1813).

18 (5) INSURED DEPOSITORY INSTITUTION.—The
19 term “insured depository institution” has the mean-
20 ing given the term in section 3 of the Federal De-
21 posit Insurance Act (12 U.S.C. 1813).

22 (6) LEVEL 1 HIGH-QUALITY LIQUID ASSET.—
23 The term “level 1 high-quality liquid asset” means
24 an asset described in section 249.20(a) of title 12,
25 Code of Federal Regulations.

1 (7) MONEY TRANSMITTING BUSINESS.—The
2 term “money transmitting business” has the mean-
3 ing given the term in section 5330 of title 31,
4 United States Code.

5 (8) NATIONAL LIMITED PAYMENT STABLECOIN
6 ISSUER.—The term “national limited payment
7 stablecoin issuer”—

8 (A) means a person that—

9 (i) issues payment stablecoins; and

10 (ii) receives a license from, and be-
11 comes subject to the regulatory standards
12 established by, the Office of the Comp-
13 troller of the Currency under section 6(a);
14 and

15 (B) includes national trust banks and
16 State-chartered trusts that receive licenses from
17 the Office of the Comptroller of the Currency
18 under section 6(a).

19 (9) PAYMENT STABLECOIN.—The term “pay-
20 ment stablecoin” means a convertible virtual cur-
21 rency that—

22 (A) is designed to maintain a stable value
23 relative to a fiat currency or currencies;

24 (B) is convertible directly to fiat currency
25 by the issuer;

1 (C) is designed to be widely used as a me-
2 dium of exchange;

3 (D) is issued by a centralized entity;

4 (E) does not inherently pay interest to the
5 holder; and

6 (F) is recorded on a public distributed
7 ledger.

8 (10) REGISTERED PUBLIC ACCOUNTING
9 FIRM.—The term “registered public accounting
10 firm” has the meaning given the term in section
11 2(a) of the Sarbanes-Oxley Act of 2002 (15 U.S.C.
12 7201(a)).

13 **SEC. 3. ISSUANCE OF PAYMENT STABLECOINS.**

14 (a) IN GENERAL.—Except as provided in subsection
15 (b), it shall be unlawful for any person to issue a payment
16 stablecoin.

17 (b) EXCEPTIONS.—Subsection (a) shall not apply
18 to—

19 (1) a money transmitting business or any other
20 person that is authorized by a State banking or
21 similar authority to issue stablecoins;

22 (2) a national limited payment stablecoin
23 issuer; or

24 (3) an insured depository institution.

1 **SEC. 4. DISCLOSURES, REDEMPTION POLICIES, AND ATTES-**
2 **TATIONS FOR PAYMENT STABLECOINS.**

3 (a) IN GENERAL.—Any person described in section
4 3(b) that issues a payment stablecoin shall—

5 (1) publicly disclose the assets backing the pay-
6 ment stablecoin on a monthly basis;

7 (2) adopt and publicly disclose policies for re-
8 deeming the payment stablecoin, including whether
9 redemption requests will be met on demand or with
10 a time lag;

11 (3) undergo quarterly attestations by an reg-
12 istered public accounting firm and publicly disclose
13 the results; and

14 (4) attest that the assets backing the payment
15 stablecoin do not materially diverge from those dis-
16 closed.

17 (b) FILING OF DISCLOSURES.—Disclosures described
18 in subsection (a) shall—

19 (1) be filed with the Secretary of the Treasury;
20 and

21 (2) made publicly available on a Department of
22 the Treasury website on a form which shall include
23 an executive summary not longer than 1 page in
24 length.

25 (c) RULEMAKING.—The Secretary of the Treasury
26 may promulgate regulations under section 553 of title 5,

1 United States Code, to develop a template form for ensur-
2 ing that the disclosures described in subsection (a) are
3 complete, clear, and understandable.

4 **SEC. 5. EQUAL TREATMENT FOR INSURED DEPOSITORY IN-**
5 **STITUTIONS.**

6 (a) NATIONAL BANKING ASSOCIATIONS.—Section
7 5136 of the Revised Statutes (12 U.S.C. 24) is amended
8 by adding at the end the following:

9 “Twelfth. To issue payment stablecoins.”.

10 (b) SEGREGATION.—An insured depository institu-
11 tion—

12 (1) may segregate into a separate legal entity
13 the issuance of payment stablecoins and manage-
14 ment of such payment stablecoin reserve assets from
15 other activities; and

16 (2) that elects to segregate under paragraph
17 (1), for the purpose of issuing payment stablecoins
18 and managing such payment stablecoin reserve as-
19 sets only—

20 (A) shall be subject to the same tailored
21 regulatory standards as a national limited pay-
22 ment stablecoin issuer for that activity; and

23 (B) shall remain subject to regulation, ex-
24 amination, and supervision by the appropriate
25 Federal banking agency.

1 **SEC. 6. NATIONAL LIMITED PAYMENT STABLECOIN**
2 **ISSUERS.**

3 The Revised Statutes are amended by inserting after
4 section 5244 (12 U.S.C. 43) the following:

5 **“SEC. 5244A. NATIONAL LIMITED PAYMENT STABLECOIN**
6 **ISSUERS.**

7 “(a) APPLICATION.—An entity may submit to the
8 Comptroller of the Currency an application for a national
9 limited payment stablecoin issuer license.

10 “(b) AUTHORITY.—A license for a national limited
11 payment stablecoin issuer shall authorize the national lim-
12 ited payment stablecoin issuer to issue and redeem pay-
13 ment stablecoins and engage in any activities incidental
14 to such issuance or redemption, including making a mar-
15 ket in such payment stablecoin and holding and managing
16 the reserve assets of such payment stablecoins.

17 “(c) LIMITATION ON OTHER ACTIVITIES.—A na-
18 tional limited payment stablecoin issuer shall not engage
19 in any activities, such as making loans or other extensions
20 of credit, other than those authorized by subsection (b).

21 “(d) REVIEW.—

22 “(1) IN GENERAL.—Except as provided in para-
23 graph (2), the Comptroller of the Currency shall
24 grant applications for national limited payment
25 stablecoin issuer licenses not later than 90 days
26 after the date on which the application is submitted.

1 “(2) CONSIDERATIONS.—

2 “(A) IN GENERAL.—The Comptroller of
3 the Currency may deny an application for a li-
4 cense under this subsection only if the Comp-
5 troller determines that the activities of the ap-
6 plicant would be unsafe or unsound based on
7 the factors described in subparagraph (B).

8 “(B) FACTORS.—The factors described in
9 this subparagraph are as follows:

10 “(i) The financial condition and busi-
11 ness plan of the applicant.

12 “(ii) The general character and fit-
13 ness of the management of the applicant.

14 “(iii) The risks presented and the po-
15 tential benefits that could be delivered to
16 consumers.

17 “(3) DEFAULT.—If the Comptroller of the Cur-
18 rency fails to approve or deny an application before
19 the expiration of the 90-day period under paragraph
20 (1), the application shall be deemed to have been ap-
21 proved.

22 “(4) RESPONSE.—If the Comptroller of the
23 Currency denies an application under this section,
24 the Comptroller shall respond to the applicant with
25 a detailed written explanation for such denial.

1 “(e) CORPORATE GOVERNANCE.—A national limited
2 payment stablecoin issuer may elect, by designating in the
3 bylaws of the issuer, to follow the corporate governance
4 provisions of—

5 “(1) the law of the State in which the issuer is
6 incorporated;

7 “(2) the law of the State in which the main of-
8 fice of the issuer is located;

9 “(3) chapter 1 of title 8 of the Delaware Code;

10 “(4) the Model Business Corporation Act.

11 “(f) STABLECOIN RESERVES.—Payment stablecoins
12 issued by a national limited payment stablecoin issuer
13 shall be backed with assets—

14 “(1) with a market value equal to not less than
15 100 percent of the par value of the payment
16 stablecoins outstanding; and

17 “(2) that are cash and cash equivalents or level
18 1 high-quality liquid assets denominated in United
19 States dollars.

20 “(g) ELIGIBILITY FOR FEDERAL RESERVE AC-
21 COUNTS AND SERVICES.—Each Federal Reserve bank
22 shall, upon application from a national limited payment
23 stablecoin issuer—

24 “(1) establish and maintain an account for a
25 national limited payment stablecoin issuer; and

1 “(2) provide to the national limited payment
2 stablecoin issuer—

3 “(A) the services listed in section 11A(b)
4 of the Federal Reserve Act (12 U.S.C.
5 248a(b)); and

6 “(B) a deposit account in accordance with
7 the first undesignated paragraph of section 13
8 of the Federal Reserve Act (12 U.S.C. 342).

9 “(h) SUPERVISION.—A license for a national limited
10 payment stablecoin issuer shall only permit supervision,
11 examination, and regulation by the Comptroller of the
12 Currency of the legal entity that issues payment
13 stablecoins.

14 “(i) REGULATIONS.—The Office of the Comptroller
15 of the Currency may establish only the following regula-
16 tions, in accordance with section 553 of title 5, United
17 States Code, for national limited payment stablecoin
18 issuers:

19 “(1) Capital requirements which shall not ex-
20 ceed 6 months of operating expenses.

21 “(2) Liquidity requirements.

22 “(3) Governance and risk-management require-
23 ments tailored to the business model and risk profile
24 of national limited payment stablecoin issuers.

1 “(j) ENFORCEMENT.—If the Comptroller of the Cur-
2 rency determines that a national limited payment
3 stablecoin issuer has violated the requirements of this sub-
4 section or any other applicable law (including regulations),
5 the Comptroller of the Currency may issue a temporary
6 order requiring the national limited payment stablecoin
7 issuers to—

8 “(1) cease and desist from any such violation;
9 and

10 “(2) take affirmative action to prevent or rem-
11 edy such violation.”.

12 **SEC. 7. EXEMPTION FROM SECURITIES REQUIREMENTS.**

13 (a) SECURITIES.—

14 (1) SECURITIES ACT OF 1933.—Section 2(a)(1)
15 of the Securities Act of 1933 (15 U.S.C. 77b(a)(1))
16 is amended by adding at the end the following: “The
17 term ‘security’ does not include a payment
18 stablecoin, as that term is defined in section 2 of the
19 Stablecoin TRUST Act of 2022.”.

20 (2) SECURITIES EXCHANGE ACT OF 1934.—Sec-
21 tion 3(a)(10) of the Securities Exchange Act of
22 1934 (15 U.S.C. 78c(a)(10)) is amended by adding
23 before the period at the end the following: “, and
24 shall also not include a payment stablecoin, as that

1 term is defined in section 2 of the Stablecoin
2 TRUST Act of 2022”.

3 (3) INVESTMENT COMPANY ACT OF 1940.—Sec-
4 tion 2(a)(36) of the Investment Company Act of
5 1940 (15 U.S.C. 80a–2(a)(36)) is amended by add-
6 ing at the end the following: “The term ‘security’
7 does not include a payment stablecoin, as that term
8 is defined in section 2 of the Stablecoin TRUST Act
9 of 2022.”.

10 (4) INVESTMENT ADVISERS ACT OF 1940.—Sec-
11 tion 202(a)(18) of the Investment Advisers Act of
12 1940 (15 U.S.C. 80b–2(a)(18)) is amended by add-
13 ing at the end the following: “The term ‘security’
14 does not include a payment stablecoin, as that term
15 is defined in section 2 of the Stablecoin TRUST Act
16 of 2022.”.

17 (b) INVESTMENT COMPANY.—Section 3(c) of the In-
18 vestment Company Act of 1940 (15 U.S.C. 80a–3(c)) is
19 amended by adding at the end the following:

20 “(15) Any payment stablecoin issuer, as that
21 term is defined in section 2 of the Stablecoin
22 TRUST Act of 2022.”.

23 (c) INVESTMENT ADVISER.—Section 202(a)(11) of
24 the Investment Advisers Act of 1940 (15 U.S.C. 80b–
25 2(a)(11)) is amended—

1 (1) by striking “; (G)” and inserting “; (G)”;

2 (2) by striking “or (H)” and inserting “(H)”;

3 and

4 (3) by inserting “; or (I) any payment

5 stablecoin issuer, defined in section 2 of the

6 Stablecoin TRUST Act of 2022” before the period

7 at the end.

8 **SEC. 8. PRIVACY PROTECTIONS FOR CONVERTIBLE VIR-**

9 **TUAL CURRENCIES AND PAYMENT**

10 **STABLECOIN USERS.**

11 (a) **EXEMPTION FROM REPORTING REQUIRE-**

12 **MENTS.**—The Secretary of the Treasury may not collect

13 or mandate the collection of nonpublic information about

14 convertible virtual currency transactions unless the infor-

15 mation is—

16 (1) particularly described in a search warrant

17 granted by a judge upon a finding of probable cause

18 that 1 or more of the participants to the transaction

19 committed or is committing a crime; or

20 (2) voluntarily provided by a customer of a fi-

21 nancial institution, business, or other third party

22 and held for a legitimate business purpose by that

23 financial institution, business, or third party.

24 (b) **APPLICABILITY OF OTHER LAWS.**—A national

25 limited payment stablecoin issuers shall be subject to title

1 V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et
2 seq.).

3 (c) **RULE OF CONSTRUCTION.**—Nothing in this sec-
4 tion may be construed to limit—

5 (1) any duty to report taxable income;

6 (2) any duty to disclose foreign account owner-
7 ship; or

8 (3) the ability of the Internal Revenue Service
9 to conduct investigations pursuant to a warrant or
10 other regular legal process.

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

12 Nothing in sections 2 through 6 may be construed
13 as restricting activities involving instruments other than
14 payment stablecoins.