

117TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

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

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**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.