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(Original Signature of Member)

117TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To provide for the regulation of qualified stablecoin issuers, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. GOTTHEIMER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To provide for the regulation of qualified stablecoin issuers, 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 to as the “Stablecoin Innova-  
5 tion and Protection Act of 2022”.

6 **SEC. 2. DEFINITIONS.**

7 (a) **QUALIFIED STABLECOIN.**—For the purposes of  
8 this Act, the term “qualified stablecoin” means any

1 cryptocurrency or other privately-issued digital financial  
2 instrument that—

3 (1) is redeemable, on demand, on a one-to-one  
4 basis for United States dollars; and

5 (2) is issued by—

6 (A) an insured depository institution; or

7 (B) a nonbank qualified stablecoin issuer  
8 as described in section 4.

9 (b) OTHER DEFINITIONS.—

10 (1) BANK SECRECY ACT.—The term “Bank Se-  
11 crecy Act” means—

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

14 (B) chapter 2 of title I of Public Law 91–  
15 508 (12 U.S.C. 1951 et seq.); and

16 (C) subchapter II of chapter 53 of title 31,  
17 United States Code.

18 (2) CRYPTOCURRENCY.—The term  
19 “cryptocurrency” means any digital representation  
20 of value which is recorded on a cryptographically se-  
21 cured distributed ledger or any similar technology as  
22 specified by the Comptroller of the Currency.

23 (3) INSURED DEPOSITORY INSTITUTION.—The  
24 term “insured depository institution” has the mean-

1       ing given the term in section 3 of the Federal De-  
2       posit Insurance Act.

3 **SEC. 3. QUALIFIED STABLECOIN ISSUER REGULATION.**

4       (a) TREATMENT OF QUALIFIED STABLECOINS.—

5           (1) IN GENERAL.—A qualified stablecoin is not  
6       a security or a commodity for purposes of State and  
7       Federal securities and commodities laws.

8           (2) RULE OF CONSTRUCTION.—Nothing in the  
9       Act shall be construed to limit the authority of the  
10      Securities Exchange Commission or the Commodity  
11      Futures Trading Commission to regulate a  
12      cryptocurrency or other privately-issued digital fi-  
13      nancial instrument that is not a qualified stablecoin.

14      (b) USE OF THE TERM “QUALIFIED  
15      STABLECOIN”.—It shall be unlawful for any person to  
16      offer, sell, or exchange as a “qualified stablecoin” any  
17      cryptocurrency that is not a qualified stablecoin as defined  
18      under this Act.

19 **SEC. 4. NONBANK QUALIFIED STABLECOIN ISSUERS.**

20      (a) ELECTION.—Any person, other than an insured  
21      depository institution, may elect to become a nonbank  
22      qualified stablecoin issuer by notifying the Comptroller of  
23      the Currency of such election.

24      (b) COLLATERAL REQUIREMENTS.—

1           (1) IN GENERAL.—A nonbank qualified  
2 stablecoin issuer shall maintain collateral in an  
3 amount equal to 100 percent of the value of out-  
4 standing qualified stablecoins issued by the nonbank  
5 qualified stablecoin issuer, or such higher percentage  
6 as the Comptroller of the Currency determines ap-  
7 propriate.

8           (2) ASSET TYPES.—Collateral held by a  
9 nonbank qualified stablecoin issuer pursuant to  
10 paragraph (1) shall be held in United States dollars,  
11 securities issued by the Federal Government, and  
12 such other assets as the Comptroller of the Currency  
13 determines appropriate.

14           (3) CASH COLLATERAL.—Any collateral de-  
15 scribed under paragraph (1) held in United States  
16 dollars shall be deposited by the nonbank qualified  
17 stablecoin issuer in a segregated account with an in-  
18 sured depository institution.

19           (c) ADDITIONAL REQUIREMENTS FOR NONBANK  
20 QUALIFIED STABLECOIN ISSUERS.—

21           (1) IN GENERAL.—The Comptroller of the Cur-  
22 rency shall have supervisory and examination au-  
23 thority with respect to a nonbank qualified  
24 stablecoin issuer.

1           (2) INSURANCE.—A nonbank qualified  
2 stablecoin issuer shall participate in the nonbank  
3 qualified stablecoin issuer insurance program estab-  
4 lished under section 52 of the Federal Deposit In-  
5 surance Act.

6           (3) RULEMAKING.—Not later than 1 year after  
7 the date of the enactment of this Act, the Comp-  
8 troller of the Currency, in consultation with such  
9 other agencies as the Comptroller of the Currency  
10 determines appropriate, shall issue a rule to estab-  
11 lish standards and requirements for nonbank quali-  
12 fied stablecoin issuers, including—

13                   (A) leverage ratios;

14                   (B) auditing requirements;

15                   (C) required disclosures for investors;

16                   (D) compliance with the requirements of  
17 the Bank Secrecy Act;

18                   (E) compliance with the Know Your Cus-  
19 tomer Rule issued by the Financial Crimes En-  
20 forcement Network (31 CFR 1010.230);

21                   (F) an orderly liquidation process, which  
22 shall apply in the case that such an issuer is in  
23 default or in danger of default, in lieu of the  
24 Federal bankruptcy laws;

25                   (G) redemption requirements;

1 (H) liability management standards; and  
2 (I) and any other items the Comptroller of  
3 the Currency determines necessary.

4 **SEC. 5. INSURANCE OF QUALIFIED STABLECOIN REDEMP-**  
5 **TION PAYMENTS.**

6 (a) **INSURED DEPOSITORY INSTITUTION QUALIFIED**  
7 **STABLECOIN ISSUERS.**—Section 3(l) of the Federal De-  
8 posit Insurance Act (12 U.S.C. 1813(l)) is amended—

9 (1) in paragraph (4), by striking “and” at the  
10 end;

11 (2) by redesignating paragraph (5) as para-  
12 graph (6); and

13 (3) by inserting after paragraph (4) the fol-  
14 lowing:

15 “(5) amounts that the bank or savings associa-  
16 tion is obligated to pay to the holder of a qualified  
17 stablecoin issued by such bank or savings associa-  
18 tion, upon demand, in redemption of such qualified  
19 stablecoin, and”.

20 (b) **NONBANK QUALIFIED STABLECOIN ISSUERS.**—  
21 The Federal Deposit Insurance Act (12 U.S.C. 1811 et  
22 seq.) is amended by adding at the end the following:

1 **“SEC. 52. INSURANCE OF REDEMPTION PAYMENTS BY**  
2 **NONBANK QUALIFIED STABLECOIN ISSUERS.**

3 “(a) IN GENERAL.—The Corporation shall establish  
4 a Qualified Stablecoin Insurance Fund, which shall be  
5 used to carry out a nonbank qualified stablecoin issuer in-  
6 surance program (in this section referred to as the “Pro-  
7 gram”).

8 “(b) APPLICATION.—A nonbank qualified stablecoin  
9 issuer that is not an insured depository institution that  
10 intends to hold collateral in an insured depository institu-  
11 tion in United States dollars shall file an application with  
12 the Corporation in such form and manner and containing  
13 such information as the Corporation determines appro-  
14 priate to participate in the Program.

15 “(c) INSURANCE.—Under the Program, the Corpora-  
16 tion shall insure the amounts the nonbank qualified  
17 stablecoin issuer is obligated to pay to the holder of a  
18 qualified stablecoin issued by such nonbank qualified  
19 stablecoin issuer, upon demand, in redemption of such  
20 qualified stablecoin.

21 “(d) INSURANCE AMOUNT.—The net amount insured  
22 under the Program with respect to a specific holder of  
23 qualified stablecoins shall not exceed the standard max-  
24 imum deposit insurance, as defined under section  
25 11(a)(1)(E).

1       “(e) ASSESSMENTS.—The Corporation shall assess  
2 each nonbank qualified stablecoin issuer participating in  
3 the Program annually, or more frequently as the Corpora-  
4 tion determines necessary, to ensure the balance of the  
5 Qualified Stablecoin Insurance Fund is sufficient to cover  
6 anticipated payments under this section.

7       “(f) CONSIDERATIONS.—The Corporation shall, to  
8 the extent practicable, establish the Program and the  
9 Qualified Stablecoin Insurance Fund in the same manner  
10 as the deposit insurance program under this Act and the  
11 Deposit Insurance Fund, respectively.

12       “(g) DEFINITIONS.—In this section:

13           “(1) NONBANK QUALIFIED STABLECOIN  
14 ISSUER.—The term ‘nonbank qualified stablecoin  
15 issuer’ means a person who has elected to be a  
16 nonbank qualified stablecoin issuer under section 4  
17 of the Stablecoin Innovation and Protection Act of  
18 2022.

19           “(2) QUALIFIED STABLECOIN.—The term  
20 ‘qualified stablecoin’ has the meaning given the term  
21 in section 2 of the Stablecoin Innovation and Protec-  
22 tion Act of 2022.”.

23 **SEC. 6. INTEROPERABILITY RULEMAKING.**

24       The Comptroller of the Currency, in consultation  
25 with such other agencies as the Comptroller of the Cur-



1 rency may determine appropriate, shall, not later than 1  
2 year after the date of the enactment of this Act, issue a  
3 rule the establishes interoperability requirements for  
4 qualified stablecoins.

5 **SEC. 7. RULE OF CONSTRUCTION.**

6 Nothing in this Act or the amendments made by this  
7 Act may be construed to restrict the creation, issuance,  
8 distribution, use, purchase, or sale of any cryptocurrency  
9 or other privately-issued digital financial instrument that  
10 is not a “qualified stablecoin”, as such term is defined  
11 in section 2.

12 **SEC. 8. EFFECTIVE DATE.**

13 This Act and the amendments made by this Act shall  
14 take effect after the end of the 1-year period beginning  
15 on the date of the enactment of this Act.