

[DISCUSSION DRAFT]

116TH CONGRESS  
1ST SESSION

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

To add establish the treatment of managed stable coins under the securities laws, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. GARCIA of Texas introduced the following bill; which was referred to the Committee on \_\_\_\_\_

**A BILL**

To add establish the treatment of managed stable coins under the securities laws, 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 “Stablecoins are Securi-  
5 ties Act of 2019”.

6 **SEC. 2. SENSE OF CONGRESS.**

7 It is the sense of Congress that—

8 (1) digital assets, known as managed  
9 stablecoins, are investment contracts and therefore

1 are securities within the meaning given the term in  
2 section 2(a) of the Securities Act of 1933; and

3 (2) because issuers of managed stablecoins nev-  
4 ertheless maintain that managed stablecoins are not  
5 securities, it is appropriate for Congress to provide  
6 clarity by amending statutory definitions of the term  
7 security to include managed stablecoins.

8 **SEC. 3. MANAGED STABLECOINS.**

9 (a) DEFINITIONS UNDER THE SECURITIES ACT OF  
10 1933.—Section 2(a) of the Securities Act of 1933 (15  
11 U.S.C. 77b(a)) is amended—

12 (1) in paragraph (1)—

13 (A) by inserting “, regardless of form”  
14 after “any of the foregoing”; and

15 (B) by inserting “, managed stablecoin,”  
16 after “national securities exchange relating to  
17 foreign currency”; and

18 (2) by adding at the end the following:

19 “(20) The term ‘managed stablecoin’ means a  
20 digital asset that—

21 “(A) is not a security registered under sec-  
22 tion 8(a) of the Investment Company Act of  
23 1940; and

24 “(B) satisfies one or more of the following:

1           “(i) The market value of such digital  
2           asset is determined, in whole or in signifi-  
3           cant part, directly or indirectly, by ref-  
4           erence to the value of a pool or basket of  
5           assets, including digital assets, held, des-  
6           ignated, or managed by one or more per-  
7           sons.

8           “(ii) One or more holders of such digi-  
9           tal asset, directly or indirectly, are entitled  
10          to obtain consideration or other assets, in-  
11          cluding other digital assets and any sov-  
12          ereign currency of a foreign government or  
13          the United States, in exchange for the digi-  
14          tal asset, the amount of which payment is  
15          determined, in whole or in significant part,  
16          directly or indirectly, on the basis of the  
17          value of a pool or basket of assets, includ-  
18          ing digital assets, held, designated, or  
19          managed by one or more persons.

20          “(21) The term ‘digital asset’ means any asset,  
21          contract, agreement or transaction, including a rep-  
22          resentation of an economic, proprietary, or access  
23          right, that is stored in a computer-readable form  
24          and has or will have a transaction history that is re-  
25          corded in a distributed ledger, digital ledger or other

1 digital data structure. A digital asset may be a man-  
2 aged stablecoin and a security.”.

3 (b) DEFINITIONS UNDER THE SECURITIES EX-  
4 CHANGE ACT OF 1934.—Section 3(a) of the Securities Ex-  
5 change Act of 1934 (15 U.S.C. 78c) is amended—

6 (1) in paragraph (10)—

7 (A) by inserting “, regardless of form”  
8 after “any of the foregoing”;

9 (B) by inserting “, managed stablecoin”  
10 after “national securities exchange relating to  
11 foreign currency”; and

12 (C) by inserting “sovereign” after “but  
13 shall not include”; and

14 (2) by adding at the end the following:

15 “(81) The term ‘managed stablecoin’ has the  
16 meaning given the term in section 2(a) of the Secu-  
17 rities Act of 1933.

18 “(82) The term ‘digital asset’ has the meaning  
19 given the term in section 2(a) of the Securities Act  
20 of 1933.”.

21 (c) DEFINITIONS UNDER THE INVESTMENT COM-  
22 PANY ACT OF 1940.—Section 2(a) of the Investment  
23 Company Act of 1940 (15 U.S.C. 80a-1 et seq.) is amend-  
24 ed—

25 (1) in paragraph (36)—

1 (A) by inserting “, regardless of form”  
2 after “any of the foregoing”; and

3 (B) by inserting “, managed stablecoin”  
4 after “national securities exchange relating to  
5 foreign currency”; and

6 (2) by adding at the end the following:

7 “(55) The term ‘managed stablecoin’ has the  
8 meaning given the term in section 2(a) of the Secu-  
9 rities Act of 1933.

10 “(56) The term ‘digital asset’ has the meaning  
11 given the term in section 2(a) of the Securities Act  
12 of 1933.”.

13 (d) DEFINITIONS UNDER THE INVESTMENT ADVIS-  
14 ERS ACT OF 1940.—Section 202(a) of the Investment Ad-  
15 visers Act of 1940 (15 U.S.C. 80b-1 et seq.) is amended—

16 (1) in paragraph (18)—

17 (A) by inserting “, regardless of form”  
18 after “any of the foregoing”; and

19 (B) by inserting “, managed stablecoin”  
20 after “national securities exchange relating to  
21 foreign currency”; and

22 (2) by adding at the end the following:

23 “(31) The term ‘managed stablecoin’ has the  
24 meaning given the term in section 2(a) of the Secu-  
25 rities Act of 1933.

1           “(32) The term ‘digital asset’ has the meaning  
2           given the term in section 2(a) of the Securities Act  
3           of 1933.”.

4           (e) SEC RULEMAKING.—The Securities and Ex-  
5           change Commission may issue rules and regulations to  
6           further define the terms “managed stablecoin” and “dig-  
7           ital asset” as such terms are defined in section 2(a) of  
8           the Securities Act of 1933.