



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

In section 4(b)(1), insert before the period at the end the following: “and the State qualified payment stablecoin issuer complies with Federal registration requirements under section 7”.

Strike section 7 and insert the following:

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

2 (a) IN GENERAL.—The Board may, upon request,  
3 consult with a State payment stablecoin regulator with re-  
4 spect to the requirements for a person to be approved by  
5 the State payment stablecoin regulator as a State qualified  
6 payment stablecoin issuer.

7 (b) REGISTRATION REQUIREMENT.—

8 (1) REGISTRATION AND FILING REQUIRE-  
9 MENTS.—

10 (A) IN GENERAL.—A person that seeks to  
11 register with the Board under this section  
12 shall—

13 (i) at the time the person files an ap-  
14 plication with the State payment stablecoin

1 regulator to issue payment stablecoins, file  
2 a copy of such application, including all  
3 application materials, with the Board; and

4 (ii) initiate the process to register  
5 with the Board not later than 45 days  
6 after being approved to issue payment  
7 stablecoins by a State payment stablecoin  
8 regulator.

9 (B) PUBLIC COMMENTS.—Upon receipt of  
10 a copy of an application submitted in accord-  
11 ance with subparagraph (A)(i), the Board  
12 shall—

13 (i) promptly publish notice of the ap-  
14 plication in the Federal Register; and

15 (ii) provide an opportunity for inter-  
16 ested persons to comment on the applica-  
17 tion for a period of no more than 30 days  
18 after publication.

19 (C) EXTENSION.—The Board may extend  
20 the 45-day period described under subpara-  
21 graph (A)(ii) by 30 additional days if the Board  
22 determines it appropriate.

23 (2) REQUIREMENT FOR COMPLETE AND EFFEC-  
24 TIVE REGISTRATION STATEMENT.—For purposes of  
25 this Act and the definition of a permitted payment

1 stablecoin issuer under section 2, a State qualified  
2 payment stablecoin issuer shall not be deemed to  
3 have completed the registration process with the  
4 Board under this section until—

5 (A) the filing of a complete registration  
6 statement; and

7 (B) the registration is effective, as de-  
8 scribed under paragraph (4).

9 (3) CONTENTS OF REGISTRATION STATE-  
10 MENT.—

11 (A) IN GENERAL.—The Board shall issue  
12 regulations consistent with this Act describing  
13 the content, documents, and material required  
14 to be submitted to the Board by a State quali-  
15 fied payment stablecoin issuer in order for a  
16 registration statement to be deemed complete.

17 (B) INITIAL REVIEW OF COMPLETENESS.—  
18 The Board shall send a letter to the State  
19 qualified payment stablecoin issuer describing  
20 any additional content, documents, or materials  
21 the Board must receive for a registration state-  
22 ment to be deemed complete by the later of—

23 (i) 60 days after a person seeking to  
24 register with the Board under this section

1 files a registration statement with the  
2 Board; or

3 (ii) 45 days after the close of the com-  
4 ment period under paragraph (1)(B).

5 (C) CONSULTATION WITH STATE PAYMENT  
6 STABLECOIN REGULATORS.—

7 (i) IN GENERAL.—The Board shall  
8 consult with a State payment stablecoin  
9 regulator regarding a State qualified pay-  
10 ment stablecoin issuer that seeks to reg-  
11 ister with the Board.

12 (ii) RELIANCE ON STATE PAYMENT  
13 STABLECOIN REGULATOR MATERIALS.—If  
14 the materials that a State qualified pay-  
15 ment stablecoin issuer is required to pro-  
16 vide to the State payment stablecoin regu-  
17 lator include all materials required in an  
18 application for registration under this sec-  
19 tion, and the State payment stablecoin reg-  
20 ulator provides such materials to the  
21 Board, the Board shall, to the fullest ex-  
22 tent possible, rely on those materials pro-  
23 vided by the State payment stablecoin reg-  
24 ulator in lieu of application materials pro-

1                   vided directly by the State qualified pay-  
2                   ment stablecoin issuer.

3                   (4) EFFECTIVENESS OF REGISTRATION.—The  
4 registration of a State qualified payment stablecoin  
5 issuer shall be presumed effective unless the Board  
6 declines the registration of such issuer on the basis  
7 that the factors described in section 5(c) have not  
8 been adequately addressed under the process set  
9 forth in paragraph (5).

10                   (5) DECLINATION OF REGISTRATION.—

11                   (A) PRELIMINARY NOTICE OF DECLINA-  
12 TION.—If the Board is likely to decline any reg-  
13 istration of a State qualified payment stablecoin  
14 issuer under paragraph (4), the Board shall,  
15 not later than 60 days after receiving a com-  
16 plete registration statement, provide a detailed  
17 written notice to the State qualified payment  
18 stablecoin issuer and the relevant State pay-  
19 ment stablecoin regulator, which shall include  
20 the specific reasons the Board is likely to de-  
21 cline the registration, as well as the steps the  
22 State qualified payment stablecoin issuer can  
23 take for such registration to not be declined.

24                   (B) RESPONSE TO PRELIMINARY NO-  
25 TICE.—A State qualified payment stablecoin

1 issuer that receives a written notice under sub-  
2 paragraph (A) shall submit a response to the  
3 written notice, which shall include the steps the  
4 State qualified payment stablecoin issuer has  
5 taken to address the reasons the Board is likely  
6 to decline the registration identified in the writ-  
7 ten notice under subparagraph (A).

8 (C) DECISION.—To decline registration  
9 under subparagraph (D), a majority vote of the  
10 Board is required.

11 (D) FINAL NOTICE OF DECLINATION.—

12 (i) IN GENERAL.—If the Board deter-  
13 mines that the State qualified payment  
14 stablecoin issuer has not adequately ad-  
15 dressed the reasons the Board is likely to  
16 decline the registration identified in the  
17 written notice under subparagraph (A) or  
18 otherwise fails to adequately address the  
19 factors listed in section 5(c), the Board  
20 may decline the registration of the State  
21 qualified payment stablecoin issuer not  
22 later than 90 days after receiving the State  
23 qualified payment stablecoin issuer's re-  
24 sponse under subparagraph (B).

1 (ii) NOTICE CONTENTS.—If the Board  
2 declines a registration under clause (i), the  
3 Board shall provide a detailed written no-  
4 tice describing the Board’s findings, in-  
5 cluding—

6 (I) the specific reasons the Board  
7 declined the registration; and

8 (II) steps the State qualified pay-  
9 ment stablecoin issuer could take to  
10 not be declined if the State qualified  
11 payment stablecoin issuer attempts to  
12 register again.

13 (E) OPPORTUNITY FOR HEARING; FINAL  
14 DETERMINATION.—Not later than 30 days after  
15 the date of receipt of a final declination under  
16 subparagraph (D), a State qualified payment  
17 stablecoin issuer may request, in writing, an op-  
18 portunity for a written or oral hearing before  
19 the Board to contest the declination of the  
20 issuer’s registration. Upon receipt of a timely  
21 request, the Board shall fix a time (not later  
22 than 30 days after the date of receipt of the re-  
23 quest) and place at which the State qualified  
24 payment stablecoin issuer may appear, person-  
25 ally or through counsel, to submit written mate-

1           rials (or, at the sole discretion of the Board,  
2           oral testimony and oral argument). Not later  
3           than 60 days after the date of a hearing under  
4           this subparagraph, the Board shall notify the  
5           State qualified payment stablecoin issuer and  
6           the State payment stablecoin regulator of the  
7           final determination of the Board, which shall  
8           contain a statement of the basis for the decision  
9           of the Board. If such issuer does not make a  
10          timely request for a hearing, the Board shall  
11          notify the issuer, in writing, of the final deter-  
12          mination of the Board under paragraph (5) not  
13          later than 10 days after the date by which the  
14          issuer may request a hearing under this sub-  
15          paragraph. The Board shall consult with the  
16          relevant State payment stablecoin regulator be-  
17          fore the Board makes any final determination  
18          with respect to declining a registration of such  
19          issuer.

20                           (F) APPEAL OF FINAL DETERMINATION.—

21          If the Board makes a final determination to de-  
22          cline a registration of a State qualified payment  
23          stablecoin issuer, such issuer may, not later  
24          than 30 days after the date of receipt of the no-  
25          tice of final determination under subparagraph



1 (E), bring an action in the United States dis-  
2 trict court for the judicial district in which the  
3 home office of such issuer is located, or in the  
4 United States District Court for the District of  
5 Columbia, for an order requiring that the final  
6 determination declining the issuer's registration  
7 be rescinded, and the court shall, upon review,  
8 dismiss such action or direct the final deter-  
9 mination to be rescinded. Review of such an ac-  
10 tion shall be limited to whether the final deter-  
11 mination made under this section was arbitrary  
12 and capricious.

13 (G) REAPPLICATION PROCESS.—Notwith-  
14 standing paragraph (1), a State qualified pay-  
15 ment stablecoin issuer that remains approved to  
16 issue payment stablecoins by a State payment  
17 stablecoin regulator may submit a new registra-  
18 tion statement to the Board on a date that is  
19 no sooner than the date that is 1 year after the  
20 date of the issuer's receipt of a final determina-  
21 tion notice to decline such issuer's registration  
22 under this paragraph.

23 (6) PUBLIC AVAILABILITY OF FILINGS.—The  
24 Board shall make each registration statement filed  
25 with the Board under this section available to the

1 public, with any confidential information redacted,  
2 on the website of the Board.

3 (c) SUPERVISION AND REGULATION.—

4 (1) IN GENERAL.—Upon the filing of a reg-  
5 istration statement with the Board (regardless of  
6 whether such registration is effective), and in addi-  
7 tion to any supervision or regulation by a State  
8 qualified payment stablecoin regulator, a State  
9 qualified payment stablecoin issuer shall be subject  
10 to coordinated supervision by the State payment  
11 stablecoin regulator and the Board.

12 (2) FEDERAL STANDARDS APPLICABLE TO REG-  
13 ISTERED PAYMENT STABLECOIN ISSUERS.—

14 (A) IN GENERAL.—The Board shall issue  
15 regulations to regulate permitted payment  
16 stablecoin issuers, consistent with the require-  
17 ments set out in section 6.

18 (B) NO PREEMPTION.—This paragraph  
19 does not supersede or preempt State licensing  
20 of a State qualified payment stablecoin issuer.

21 (3) AVOIDANCE OF DUPLICATIVE REQUIRE-  
22 MENTS.—The Board shall, to the fullest extent pos-  
23 sible—

24 (A) avoid duplication of examination activi-  
25 ties, reporting requirements, and requests for

1 information, described in section 5, and rely  
2 on—

3 (i) examination reports made by State  
4 agencies relating to a State qualified pay-  
5 ment stablecoin issuer and any subsidiary  
6 of a State qualified payment stablecoin  
7 issuer; and

8 (ii) the reports and other information  
9 required under this section; and

10 (B) use—

11 (i) reports and other supervisory in-  
12 formation that the State qualified payment  
13 stablecoin issuer or any subsidiary thereof  
14 has been required to provide to other Fed-  
15 eral or State regulatory agencies;

16 (ii) information otherwise available  
17 from Federal or State regulatory agencies;  
18 and

19 (iii) information that is otherwise re-  
20 quired to be reported publicly.

21 (4) MEMORANDUM OF UNDERSTANDING.—The  
22 Board, consistent with the purposes of this Act,  
23 shall, to the greatest extent possible—

24 (A) enter into agreements with State pay-  
25 ment stablecoin regulators, including memo-

1           randa of understanding, to administer this sec-  
2           tion and to facilitate information sharing re-  
3           garding any application a State receives with  
4           respect to a potential State qualified payment  
5           stablecoin issuer;

6           (B) coordinate with a State payment  
7           stablecoin regulator to carry out supervisory  
8           functions that would otherwise be carried out  
9           by the Board under this Act; and

10          (C) rely on reports and other information  
11          provided by the State payment stablecoin regu-  
12          lator to the Board in lieu of requiring the State  
13          qualified payment stablecoin issuer to file such  
14          reports and other information with the Board.

15          (5) STATE AUTHORITY TO SET ADDITIONAL  
16          STANDARDS.—A State may set additional standards  
17          for a State qualified payment stablecoin issuer oper-  
18          ating within such State, provided that the standards  
19          are not inconsistent with the standards established  
20          by the Board.

21          (6) ENFORCEMENT AND COORDINATION.—

22          (A) IN GENERAL.—The Board shall coordi-  
23          nate enforcement actions regarding a State  
24          qualified payment stablecoin issuer with a State

1 payment stablecoin regulator to the fullest ex-  
2 tent practicable.

3 (B) ENFORCEMENT.—The Board may en-  
4 force the requirements of this section as set  
5 forth in section 6, if the Board gives advance  
6 notice of any enforcement action to be taken  
7 with respect to a State qualified payment  
8 stablecoin issuer to the State payment  
9 stablecoin regulator.

10 (d) TRANSITION.—

11 (1) IN GENERAL.—A person that was approved  
12 by a State payment stablecoin regulator to operate  
13 under a State regulatory framework specific to  
14 stablecoins on or before the date of enactment of  
15 this Act, and that remains approved and operating  
16 on the date of the effective date under section 16,  
17 shall file a registration statement with the Board  
18 after such effective date as if the person was ap-  
19 proved by a State payment stablecoin regulator on  
20 such effective date. The person shall be deemed to  
21 have registered with the Board under this section  
22 after submitting a complete registration statement,  
23 unless the Board declines such registration on the  
24 basis that any of the factors listed in section 5(c)  
25 have not been adequately addressed under the time-

1 liness process set forth in subsection (b)(5), except  
2 that the Board may only decline such registration  
3 pursuant to subsection (b)(5)(D) by at least a  $\frac{2}{3}$   
4 vote of the Board.

5 (2) CONSULTATION AND GUIDANCE.—Not later  
6 than 180 days after the date of enactment of this  
7 Act, the Board shall consult with State payment  
8 stablecoin regulators and provide guidance to per-  
9 sons eligible for the transition under paragraph (1)  
10 to support a safe and sound transition to the regu-  
11 latory framework established by this Act.

