

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 4766
OFFERED BY MR. SHERMAN OF CALIFORNIA**

Strike all after section 1 and insert the following
(and conform the table of contents accordingly):

1 **SEC. 2. SECURITIES AND EXCHANGE COMMISSION JURIS-**
2 **DICTION OVER DIGITAL ASSETS AND EX-**
3 **CHANGES HANDLING PAYMENT**
4 **STABLECOINS.**

5 (a) TREATMENT OF PAYMENT STABLECOINS.—All
6 payment stablecoins, and all derivatives based on payment
7 stablecoins, shall be considered securities and subject to
8 all the authority and jurisdiction of the Securities and Ex-
9 change Commission.

10 (b) TREATMENT OF EXCHANGES HANDLING DIGITAL
11 ASSETS.—All exchanges providing for the sale, transfer,
12 or exchange of any payment stablecoin or derivative of a
13 payment stablecoin shall be considered a securities ex-
14 change and subject to the full jurisdiction of the Securities
15 and Exchange Commission.

16 (c) PAYMENT STABLECOIN DEFINED.—In this sec-
17 tion, the term “payment stablecoin”—

18 (1) means a digital asset—

1 (A) that is or is designed to be used as a
2 means of payment or settlement; and

3 (B) the issuer of which—

4 (i) is obligated to convert, redeem, or
5 repurchase for a fixed amount of monetary
6 value; and

7 (ii) represents will maintain or creates
8 the reasonable expectation that it will
9 maintain a stable value relative to the
10 value of a fixed amount of monetary value;
11 and

12 (2) that is not—

13 (A) a national currency; or

14 (B) a security issued by an investment
15 company registered under section 8(a) of the
16 Investment Company Act of 1940 (15 2 U.S.C.
17 80a-8(a)).

