

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. _____

To provide requirements for payment stablecoin issuers, research on a digital dollar, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the Committee on _____

A BILL

To provide requirements for payment stablecoin issuers, research on a digital dollar, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 **["To be added Act of 2023"]**.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PAYMENT STABLECOIN ISSUERS

Sec. 101. Definitions.

- Sec. 102. Requirement to be a payment stablecoin issuer.
- Sec. 103. State qualified payment stablecoin issuers.
- Sec. 104. Enforcement.
- Sec. 105. Interoperability standards.
- Sec. 106. Moratorium on endogenously collateralized stablecoins.
- Sec. 107. Reservation of authority.
- Sec. 108. Assessments.
- Sec. 109. Extraterritoriality.

TITLE II—DIGITAL DOLLAR

- Sec. 201. Research on Federal Reserve digital dollar.
- Sec. 202. Briefing on central bank digital currencies.

1 **TITLE I—PAYMENT STABLECOIN**
2 **ISSUERS**

3 **SEC. 101. DEFINITIONS.**

4 In this title:

5 (1) APPROPRIATE FEDERAL BANKING AGEN-
6 CY.—The term “appropriate Federal banking agen-
7 cy” has the same meaning as in section 3 of the
8 Federal Deposit Insurance Act (12 U.S.C. 1813).

9 (2) APPROPRIATE FEDERAL PAYMENT
10 STABLECOIN REGULATOR.—The term “appropriate
11 Federal payment stablecoin regulator” means—

12 (A) with respect to a subsidiary of an in-
13 sured depository institution, the appropriate
14 Federal banking agency of such insured depository
15 institution;

16 (B) with respect to a subsidiary of an in-
17 sured credit union, the National Credit Union
18 Administration; and

1 (C) the Board, with respect to a nonbank
2 entity.

3 (3) BANK SECRECY ACT.—The term “Bank Se-
4 crecy Act” means—

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

7 (B) chapter 2 of title I of Public Law 91-
8 508 (12 U.S.C. 1951 et seq.); and

9 (C) subchapter II of chapter 53 of title 31,
10 United States Code.

11 (4) BOARD.—The term “Board” means Board
12 of Governors of the Federal Reserve System.

13 (5) COMPTROLLER.—The term “Comptroller”
14 means the Comptroller of the Currency.

15 (6) CORPORATION.—The term “Corporation”
16 means the Federal Deposit Insurance Corporation.

17 (7) DIGITAL ASSET.—The term “digital asset”
18 means any digital representation of value which is
19 recorded on a cryptographically secured distributed
20 ledger or any similar technology.

21 (8) DISTRIBUTED LEDGER.—The term “distrib-
22 uted ledger” means technology where data is shared
23 across a network that creates a digital ledger of
24 verified transactions or information among network
25 participants and the data are typically linked using

1 cryptography to maintain the integrity of the ledger
2 and execute other functions.

3 (9) FEDERAL BANKING AGENCIES.—The term
4 “Federal banking agencies” means the Comptroller,
5 the Board, the Corporation, and the National Credit
6 Union Administration.

7 (10) FEDERAL PAYMENT STABLECOIN REGU-
8 LATORS.—The term “Federal payment stablecoin
9 regulators” means the Board, the Comptroller, the
10 Corporation, and the National Credit Union Admin-
11 istration.

12 (11) INSURED DEPOSITORY INSTITUTION.—The
13 term “insured depository institution” means—

14 (A) an insured depository institution, as
15 defined in section 3 of the Federal Deposit In-
16 surance Act (12 U.S.C. 1813); and

17 (B) an insured credit union, as defined in
18 section 101 of the Federal Credit Union Act
19 (12 U.S.C. 1752).

20 (12) LICENSED NONBANK ENTITY.—The term
21 “licensed nonbank entity” means a nonbank entity
22 licensed by the Board pursuant to section 102(c).

23 (13) MONETARY VALUE.—The term “monetary
24 value” means a national currency, deposit (as de-
25 fined under section 3 of the Federal Deposit Insur-

1 ance Act), or an equivalent instrument that is de-
2 nominated in a national currency.

3 (14) NATIONAL CURRENCY.—The term “na-
4 tional currency” means United States coins, a Fed-
5 eral Reserve note or other lawful money as the term
6 is used in the Federal Reserve Act (12 U.S.C. 411),
7 money issued by a central bank, or money issued by
8 an intergovernmental organization pursuant to an
9 agreement by one or more governments.

10 (15) NONBANK ENTITY.—The term “nonbank
11 entity” means a person that is not an insured depos-
12 itory institution.

13 (16) PAYMENT STABLECOIN.—The term “pay-
14 ment stablecoin”—

15 (A) means a digital asset—

16 (i) that is or is designed to be used as
17 a means of payment or settlement; and

18 (ii) the issuer of which—

19 (I) is obligated to convert, re-
20 deem, or repurchase for a fixed
21 amount of monetary value; or

22 (II) represents will maintain or
23 creates the reasonable expectation
24 that it will maintain a stable value rel-

1 ative to the value of a fixed amount of
2 monetary value; and

3 (B) that is not—

4 (i) a national currency; or

5 (ii) a security issued by an investment
6 company registered under section 8(a) of
7 the Investment Company Act of 1940 (15
8 U.S.C. 80a–8(a)).

9 (17) PAYMENT STABLECOIN ISSUER.—The term
10 “payment stablecoin issuer” means—

11 (A) a person approved or licensed by the
12 appropriate Federal payment stablecoin regu-
13 lator, as applicable; or

14 (B) a registered State qualified payment
15 stablecoin issuer.

16 (18) PAYMENT SYSTEM.—The term “payment
17 system”—

18 (A) means a system for the purpose of
19 transferring monetary value between or among
20 participants, including a set of instruments,
21 procedures, and rules; and

22 (B) includes the participants and the per-
23 son or persons operating the arrangement or
24 aspects of the arrangement.

1 (19) PERSON.—The term “person” means a
2 natural person or a group of natural persons, cor-
3 poration, partnership, trust, association, joint ven-
4 ture, pool, syndicate, sole proprietorship, unincor-
5 porated organization, or any other form of entity or
6 organization.

7 (20) REGISTERED STATE QUALIFIED PAYMENT
8 STABLECOIN ISSUER.—The term “registered State
9 qualified payment stablecoin issuer” means a State
10 qualified payment stablecoin issuer that has filed a
11 registration statement with the Board.

12 (21) STATE.—The term “State” means each of
13 the several States, the District of Columbia, any ter-
14 ritory of the United States, and each federally recog-
15 nized Indian Tribe.

16 (22) STATE PAYMENT STABLECOIN REGU-
17 LATOR.—The term “State payment stablecoin regu-
18 lator” means a State agency that has primary regu-
19 latory and supervisory authority in such State over
20 entities that issue payment stablecoins.

21 (23) STATE QUALIFIED PAYMENT STABLECOIN
22 ISSUER.—The term “State qualified payment
23 stablecoin issuer” means a nonbank entity that—

24 (A) is legally established under the laws of
25 a State; and

1 (B) is subject to ongoing supervision and
2 regulation by the State payment stablecoin reg-
3 ulator of such State to issue payment
4 stablecoins.

5 (24) SUBSIDIARY OF AN INSURED CREDIT
6 UNION.—The term “subsidiary of an insured credit
7 union” means—

8 (A) an organization providing services
9 which are associated with the routine operations
10 of credit unions, as described under section
11 107(7)(I) of the Federal Credit Union Act (12
12 U.S.C. 1757(7)(I)); and

13 (B) a credit union service organization, as
14 such term is used under part 712 of title 12,
15 Code of Federal Regulations.

16 **SEC. 102. REQUIREMENT TO BE A PAYMENT STABLECOIN**
17 **ISSUER.**

18 (a) IN GENERAL.—

19 (1) GENERAL PROHIBITION.—Except as pro-
20 vided in paragraph (3), it shall be unlawful for any
21 person to engage in the business of issuing a pay-
22 ment stablecoin, directly or indirectly in the United
23 States, through any means or instruments of trans-
24 portation or communication in the United States, or
25 to persons in the United States.

1 (2) CRIMINAL PENALTY.—Whoever knowingly
2 participates in a violation of this section shall be
3 fined not more than \$1,000,000, imprisoned for not
4 more than 5 years, or both.

5 (3) PERMITTED PAYMENT STABLECOINS.—The
6 prohibition in paragraph (1) shall not apply with re-
7 spect to payment stablecoins issued by—

8 (A) a subsidiary of an insured depository
9 institution that has been approved to issue pay-
10 ment stablecoins under subsection (b); or

11 (B) a nonbank entity licensed under sub-
12 section (c).

13 (b) APPROVAL FOR INSURED DEPOSITORY INSTITU-
14 TIONS.—

15 (1) APPLICATION.—An insured depository insti-
16 tution that seeks to issue payment stablecoins
17 through a subsidiary shall—

18 (A) file an application with the appropriate
19 Federal payment stablecoin regulator in such
20 form and manner as the appropriate Federal
21 payment stablecoin regulator determines appro-
22 priate; and

23 (B) publish notice of such application in a
24 newspaper of general circulation in the commu-
25 nity or communities where the main offices of

1 the applicant are located, or, if there is no such
2 newspaper in any such community, then in the
3 newspaper of general circulation published
4 nearest thereto.

5 (2) TIMING.—

6 (A) IN GENERAL.—The appropriate Fed-
7 eral payment stablecoin regulator shall—

8 (i) inform the applicant whether the
9 applicant has submitted a complete appli-
10 cation within 45 days of receiving an appli-
11 cation described in paragraph (1) and

12 (ii) render a decision on an applica-
13 tion received under paragraph (1) no later
14 than 90 days after informing the applicant
15 that the application is complete.

16 (B) FAILURE TO RENDER A DECISION.—If
17 the appropriate Federal payment stablecoin reg-
18 ulator fails to render a decision on an applica-
19 tion under subparagraph (A) within the time
20 period specified in that subparagraph, the ap-
21 plication shall be deemed approved.

22 (3) EVALUATION.—A complete application re-
23 ceived under paragraph (1) shall be evaluated by the
24 appropriate Federal payment stablecoin regulator
25 using the factors described in paragraph (4).

1 (4) FACTORS.—In evaluating an application,
2 the appropriate Federal payment stablecoin regu-
3 lator shall consider the following factors:

4 (A) The ability of the applicant to main-
5 tain reserves backing its payment stablecoins
6 outstanding on an at least one-to-one basis,
7 with reserves comprising of—

8 (i) United States coins and currency
9 (including Federal reserve notes and circu-
10 lating notes of Federal reserve banks and
11 national banks);

12 (ii) Treasury bills with a maturity of
13 90 days or less;

14 (iii) repurchase agreements with a
15 maturity of 7 days or less that are backed
16 by Treasury bills with a maturity of 90
17 days or less; or

18 (iv) central bank reserve deposits.

19 (B) The financial resources, managerial or
20 technical expertise, and governance of the appli-
21 cant.

22 (C) The benefit to the public, including on
23 innovation and competition.

24 (D) The stability of the financial system of
25 the United States.

1 (E) The convenience and needs of the com-
2 munity to be served.

3 (F) The plan of the applicant to promote
4 greater inclusion for businesses and retail con-
5 sumers, as appropriate, in all jurisdictions and
6 across all racial and ethnic groups and geo-
7 graphic locations.

8 (5) PUBLIC COMMENTS.—Upon receipt of an
9 application submitted in accordance with this sub-
10 section, the appropriate Federal payment stablecoin
11 regulator shall—

12 (A) promptly publish notice of the applica-
13 tion in the Federal Register; and

14 (B) provide an opportunity for interested
15 persons to comment on the proposal for a pe-
16 riod of no more than 60 days after publication.

17 (6) APPROVAL.—

18 (A) IN GENERAL.—The appropriate Fed-
19 eral payment stablecoin regulator shall approve
20 an application received under paragraph (1) if
21 the agency determines that the factors de-
22 scribed in paragraph (4) are adequately satis-
23 fied.

24 (B) EXPLANATION REQUIRED FOR DIS-
25 APPROVAL.—In the event that the appropriate

1 Federal payment stablecoin regulator denies an
2 application received under paragraph (1), the
3 regulator shall provide the applicant a written
4 notice explaining such denial.

5 (c) LICENSING OF NONBANK ENTITIES.—

6 (1) IN GENERAL.—The Board shall establish a
7 process to render a decision on applications sub-
8 mitted by nonbank entities to issue payment
9 stablecoins. Such process shall require the applicant
10 to publish notice of such application in a newspaper
11 of general circulation in the community or commu-
12 nities where the main offices of the applicant are lo-
13 cated, or, if there is no such newspaper in any such
14 community, then in the newspaper of general cir-
15 culation published nearest thereto.

16 (2) TIMING.—

17 (A) IN GENERAL.—The Board shall—

18 (i) inform the applicant whether the
19 applicant has submitted a complete appli-
20 cation within 45 days of receiving an appli-
21 cation described in paragraph (1) and

22 (ii) render a decision on an applica-
23 tion received under paragraph (1) no later
24 than 90 days after informing the applicant
25 that the application is complete.

1 (B) FAILURE TO RENDER A DECISION.—If
2 the Board fails to render a decision on an appli-
3 cation under subparagraph (A) within the time
4 period specified in that subparagraph, the ap-
5 plication shall be deemed approved.

6 (3) EVALUATION.—An application received
7 under paragraph (1) shall be evaluated by the Board
8 using the factors specified under paragraph (4).

9 (4) FACTORS.—In evaluating an application,
10 the Board shall examine the following factors:

11 (A) The ability of the applicant to main-
12 tain reserves backing its payment stablecoins
13 outstanding on an at least one-to-one basis,
14 with reserves comprising of—

15 (i) United States coins and currency
16 (including Federal reserve notes and circu-
17 lating notes of Federal reserve banks and
18 national banks);

19 (ii) Treasury bills with a maturity of
20 90 days or less;

21 (iii) repurchase agreements with a
22 maturity of 7 days or less that are backed
23 by Treasury bills with a maturity of 90
24 days or less; or

25 (iv) central bank reserve deposits.

1 (B) The financial resources, managerial or
2 technical expertise, and governance of the appli-
3 cant.

4 (C) The benefit to the public, including on
5 innovation and competition.

6 (D) The stability of the financial system of
7 the United States.

8 (E) The convenience and needs of the com-
9 munity to be served.

10 (F) The plan of the applicant to promote
11 greater inclusion for businesses and retail con-
12 sumers, as appropriate, in all jurisdictions and
13 across all racial and ethnic groups and geo-
14 graphic locations.

15 (5) PUBLIC COMMENTS.—Upon receipt of an
16 application submitted in accordance with this sub-
17 section, the Board shall—

18 (A) promptly publish notice of the applica-
19 tion in the Federal Register; and

20 (B) provide an opportunity for interested
21 persons to comment on the proposal for a pe-
22 riod of no more than 60 days after publication.

23 (6) APPROVAL.—

24 (A) IN GENERAL.—A nonbank entity that
25 applies to be a licensed nonbank entity shall be

1 approved by the Board as a licensed nonbank
2 entity if the factors set out in paragraph (4)
3 are adequately addressed.

4 (B) EXPLANATION REQUIRED FOR DIS-
5 APPROVAL.—In the event that the Board denies
6 an application received under paragraph (1),
7 the Board shall provide the applicant a written
8 notice explaining such denial.

9 (d) REGULATION OF PAYMENT STABLECOIN
10 ISSUERS.—

11 (1) AUTHORITY OF THE FEDERAL PAYMENT
12 STABLECOIN REGULATORS.—

13 (A) IN GENERAL.—The appropriate Fed-
14 eral payment stablecoin regulator may issue or-
15 ders and the Federal payment stablecoin regu-
16 lators shall issue regulations as may be nec-
17 essary to administer and carry out this section,
18 including to establish conditions, and to prevent
19 evasions thereof.

20 (B) JOINT ISSUANCE.—Regulations issued
21 by the Federal payment stablecoin regulators
22 pursuant to paragraph (3), (5), or (7) or sub-
23 paragraph (A), (B), or (C) of paragraph (10)
24 shall be issued jointly by the Federal payment
25 stablecoin regulators.

1 (C) RULEMAKING DEADLINE.—Not later
2 than the end of the 180-day period beginning
3 on the date of enactment of this Act, the Fed-
4 eral payment stablecoin regulators shall issue
5 the regulations required under subparagraph
6 (A).

7 (2) SUPERVISION.—

8 (A) IN GENERAL.—

9 (i) SUBSIDIARY OF AN INSURED DE-
10 POSITORY INSTITUTION.—Each payment
11 stablecoin issuer that is a subsidiary of an
12 insured depository institution shall be—

13 (I) subject to supervision by the
14 appropriate Federal payment
15 stablecoin regulator in the same man-
16 ner as such insured depository institu-
17 tion; and

18 (II) deemed a financial institu-
19 tion, for purposes of title V of the
20 Gramm-Leach-Bliley Act (15 U.S.C.
21 6801 et seq.).

22 (ii) LICENSED NONBANK ENTITY.—

23 (I) SUBMISSION OF REPORTS.—
24 Each payment stablecoin issuer that
25 is a licensed nonbank entity shall,

1 upon request of the Board, promptly
2 submit reports under oath to keep the
3 Board informed as to—

4 (aa) the licensed nonbank
5 entity's financial condition, sys-
6 tems for monitoring and control-
7 ling financial and operating risks;
8 and

9 (bb) compliance by the li-
10 censed nonbank entity (and any
11 subsidiary thereof) with—

12 (AA) this title; and

13 (BB) Federal laws that
14 the Board has specific juris-
15 diction to enforce against
16 the licensed nonbank entity
17 (and any subsidiary thereof).

18 (II) BOARD REQUIREMENT TO
19 USE EXISTING REPORTS.—In super-
20 vising and examining a licensed
21 nonbank entity, the Board shall, to
22 the fullest extent possible, use existing
23 reports and other supervisory infor-
24 mation.

1 (III) EXAMINATION.—The Board
2 may make examinations of a licensed
3 nonbank entity and each subsidiary of
4 a licensed nonbank entity in order to
5 inform the Board of—

6 (aa) the nature of the oper-
7 ations and financial condition of
8 the licensed nonbank entity and
9 the subsidiary;

10 (bb) the financial, oper-
11 ational, and other risks within
12 the licensed nonbank entity that
13 may pose a threat to—

14 (AA) the safety and
15 soundness of the licensed
16 nonbank entity; or

17 (BB) the stability of
18 the financial system of the
19 United States; and

20 (cc) the systems of the li-
21 censed nonbank entity for moni-
22 toring and controlling the risks
23 described item (bb).

24 (IV) AVOIDANCE OF DUPLICA-
25 TION.—The Board shall, to the fullest

1 extent possible, avoid duplication of
2 examination activities, reporting re-
3 quirements, and requests for informa-
4 tion in carrying out this title with re-
5 spect to a licensed nonbank entity.

6 (V) TREATMENT UNDER THE
7 GRAMM-LEACH-BLILEY ACT.—A li-
8 censed nonbank entity shall be
9 deemed a financial institution, for
10 purposes of title V of the Gramm-
11 Leach-Bliley Act (15 U.S.C. 6801 et
12 seq.).

13 (B) LIMITATION.—A Federal payment
14 stablecoin regulator may not issue any rule,
15 order, or guidance inconsistent with this sec-
16 tion.

17 (C) CONSULTATION WITH FINCEN.—A
18 Federal payment stablecoin regulator shall con-
19 sult with the Financial Crimes Enforcement
20 Network regarding the application of the Bank
21 Secrecy Act to any rule or guidance consistent
22 with this section.

23 (D) CONSULTATION WITH STATES.—A
24 Federal payment stablecoin regulator shall con-

1 sult with States regarding licensing and con-
2 sumer protection matters.

3 (3) TAILORING.—

4 (A) IN GENERAL.—In establishing stand-
5 ards under this section, the Federal payment
6 stablecoin regulators shall tailor such standards
7 or differentiate the regulatory requirements es-
8 tablished under this section, including capital,
9 liquidity, risk management, and other require-
10 ments, as appropriate, by taking into account
11 the complexity and risk profile of payment
12 stablecoin issuers.

13 (B) LIMITATION.—Standards tailored
14 under subparagraph (A) shall not apply to the
15 requirements set forth in paragraph (4) or (6)
16 or subsection (f), (h), or (i).

17 (4) RESERVE REQUIREMENTS.—

18 (A) IN GENERAL.—Each payment
19 stablecoin issuer shall maintain reserves back-
20 ing its payment stablecoins outstanding on an
21 at least one-to-one basis, with reserves com-
22 prising—

23 (i) United States coins and currency
24 (including Federal reserve notes);

1 (ii) funds held as insured demand de-
2 posits or insured shares at insured deposi-
3 tory institutions, subject to limitations es-
4 tablished by the Corporation and the Na-
5 tional Credit Union Administration, re-
6 spectively, to address safety and soundness
7 risks of such insured depository institu-
8 tions;

9 (iii) Treasury bills with a maturity of
10 90 days or less;

11 (iv) repurchase agreements with a ma-
12 turity of 7 days or less that are backed by
13 Treasury bills with a maturity of 90 days
14 or less; or

15 (v) central bank reserve deposits.

16 (B) PROHIBITION ON
17 REHYPOTHECATION.—Reserves described under
18 subparagraph (A) may not be pledged, re-
19 hypothecated, or reused, except for the purpose
20 of creating liquidity to meet reasonable expect-
21 ations of requests to redeem payment
22 stablecoins, such that reserves in the form of
23 Treasury bills may be pledged as collateral for
24 repurchase agreements with a maturity of 90
25 days or less, provided that either—

1 (i) the repurchase agreements are
2 cleared by a central clearing counterparty
3 that is approved by the appropriate Fed-
4 eral payment stablecoin regulator; or

5 (ii) the payment stablecoin issuer re-
6 ceives the prior approval of the appropriate
7 Federal payment stablecoin regulator.

8 (C) DISCLOSURE.—Each payment
9 stablecoin issuer shall publish the monthly com-
10 position of the issuer’s reserve portfolio on the
11 website of the issuer, in a format established,
12 jointly, by the Federal payment stablecoin regu-
13 lators.

14 (D) ATTESTATION.—The chief executive
15 officer of a payment stablecoin issuer shall file
16 an attestation with the appropriate Federal
17 payment stablecoin regulator on a monthly
18 basis, attesting to the accuracy of the reserve
19 portfolio information disclosed under subpara-
20 graph (C).

21 (5) REDEMPTIONS.—A payment stablecoin
22 issuer shall establish a process to allow redemption
23 of payment stablecoins within a reasonable time-
24 frame, as established by the appropriate Federal
25 payment stablecoin regulators, jointly, but in no case

1 may such timeframe be longer than one day after
2 the redemption request.

3 (6) LIMITATION ON ACTIVITIES.—A payment
4 stablecoin issuer may only issue payment
5 stablecoins, redeem payment stablecoins, manage re-
6 lated reserves (including purchasing and holding re-
7 serve assets), provide custodial or safekeeping serv-
8 ices for payment stablecoins or private keys of pay-
9 ment stablecoins, and undertake other limited func-
10 tions that directly support the work of issuing and
11 redeeming payment stablecoins. A national bank is
12 not illegally constituted solely because the operations
13 of the national bank are limited to the activities de-
14 scribed in this paragraph.

15 (7) APPROVAL OF MERGERS AND ACQUISI-
16 TIONS.—

17 (A) IN GENERAL.—No person may acquire
18 control of a payment stablecoin issuer without
19 prior approval of the appropriate Federal pay-
20 ment stablecoin regulator.

21 (B) APPLICATION.—A person (or group of
22 persons acting in concert) described in subpara-
23 graph (A) shall submit an application for prior
24 approval to the appropriate Federal payment
25 stablecoin regulator.

1 (C) PUBLIC COMMENTS.—

2 (i) IN GENERAL.—An appropriate
3 Federal payment stablecoin regulator re-
4 ceiving an application under subparagraph
5 (B) shall provide a copy of the application
6 to the public (with any confidential infor-
7 mation redacted) and provide for a 60-day
8 public comment period during which the
9 public can submit written comments on the
10 application.

11 (ii) EXCEPTION.—An appropriate
12 Federal payment stablecoin regulator may
13 waive the requirement under clause (i) if
14 the appropriate Federal payment
15 stablecoin regulator determines that the
16 regulator must act immediately to prevent
17 the failure of the payment stablecoin issuer
18 or in the event of the probable failure of a
19 parent insured depository institution of a
20 payment stablecoin issuer.

21 (D) EVALUATION.—In evaluating an appli-
22 cation received under subparagraph (B), the ap-
23 propriate Federal payment stablecoin regulator
24 shall take into consideration the factors speci-

1 fied under subsection (b)(4) or (c)(4), as appli-
2 cable.

3 (E) RULEMAKING.—The Federal payment
4 stablecoin regulators shall, jointly, issue rules to
5 carry out this paragraph, and such rules shall,
6 subject to the requirements of subparagraph
7 (A) through (D), be as close as practicable to
8 the process used by an appropriate Federal
9 banking agency in evaluating and approving a
10 change of control of an insured depository insti-
11 tution under section 7(j) of the Federal Deposit
12 Insurance Act (12 U.S.C. 1817(j)).

13 (F) EXCEPTION.—The appropriate Federal
14 payment stablecoin regulator may waive the re-
15 quirements of this paragraph with respect to a
16 payment stablecoin issuer if the issuer is a sub-
17 sidiary of an insured depository institution, and
18 such insured depository institution is subject to
19 a change in control under section 7(j) or 18(c)
20 of the Federal Deposit Insurance Act or under
21 the Federal Credit Union Act.

22 (8) PROHIBITION ON UNAUTHORIZED PARTICI-
23 PATION BY CONVICTED INDIVIDUAL.—

24 (A) IN GENERAL.—No person who has
25 been convicted of any criminal offense involving

1 insider trading, embezzlement, cybercrime,
2 money laundering, or financing of terrorism, or
3 felony financial fraud may serve as an executive
4 officer or a person with control of more than 5
5 percent of the shares of a payment stablecoin
6 issuer.

7 (B) EXCEPTIONS.—The Federal payment
8 stablecoin regulators—

9 (i) shall provide a process to apply for
10 a waiver from the prohibition under sub-
11 paragraph (A); and

12 (ii) may provide for de minimis excep-
13 tions to the prohibition under subpara-
14 graph (A) that would not require a waiver.

15 (9) FINANCIAL INCLUSION.—The Federal pay-
16 ment stablecoin regulators shall strive to promote
17 greater inclusion for businesses and retail con-
18 sumers, as appropriate, in all jurisdictions and
19 across all racial and ethnic groups and geographic
20 locations

21 (10) CAPITAL, LIQUIDITY, AND RISK MANAGE-
22 MENT STANDARDS.—

23 (A) CAPITAL REQUIREMENTS.—The Fed-
24 eral payment stablecoin regulators shall, jointly,

1 establish by regulation capital requirements ap-
2 plicable to payment stablecoin issuers.

3 (B) LIQUIDITY REQUIREMENTS.—The
4 Federal payment stablecoin regulators shall,
5 jointly, establish by regulation liquidity require-
6 ments applicable to payment stablecoin issuers.

7 (C) RISK MANAGEMENT REQUIREMENTS.—
8 The Federal payment stablecoin regulators
9 shall, jointly, establish by regulation risk man-
10 agement requirements applicable to payment
11 stablecoin issuers.

12 (D) RISK MANAGEMENT FOR CONTRACTED
13 SERVICES.—

14 (i) IN GENERAL.—Whenever a pay-
15 ment stablecoin issuer, or any subsidiary
16 or affiliate of such a payment stablecoin
17 issuer, relies on or causes to be performed
18 for itself, by contract or otherwise, any
19 services or activities authorized under this
20 Act or that are necessary or integral to the
21 functioning of the payment stablecoin,
22 whether on or off its premises—

23 (I) such person that performs
24 such services or activities shall be sub-
25 ject to regulation and supervision by

1 the appropriate Federal payment
2 stablecoin regulator with respect to
3 the performance of such services or
4 activities, but such regulation and su-
5 pervision shall be limited in scope to
6 such services or activities that are au-
7 thorized under this Act or necessary
8 or integral to the functioning of the
9 payment stablecoin; and

10 (II) the payment stablecoin
11 issuer shall notify the appropriate
12 Federal payment stablecoin regulator
13 of the existence of the relationship
14 within 30 days after the making of
15 the related service contract or the per-
16 formance of the activity or service,
17 whichever occurs first.

18 (ii) CUSTOMER PROTECTION.—

19 (I) IN GENERAL.—Any person,
20 including any person providing a serv-
21 ice described in clause (i), any pay-
22 ment stablecoin issuer, and any State-
23 licensed money services business, who
24 engages in the business of providing
25 custodial or safekeeping services for

1 payment stablecoins or private keys of
2 payment stablecoins shall be subject
3 to regulation and supervision, as pro-
4 vided in subclause (II) through (VII).

5 (II) SEGREGATION.—A person
6 described in subclause (I) shall—

7 (aa) treat and deal with the
8 payment stablecoins, private
9 keys, cash, and other property of
10 a person for whom or on whose
11 behalf the person receives, ac-
12 quires, or holds payment
13 stablecoins, private keys, cash,
14 and other property (hereinafter
15 in this clause referred to as the
16 “customer”) as belonging to such
17 customer; and

18 (bb) take such steps as are
19 appropriate to protect the pay-
20 ment stablecoins, private keys,
21 and cash of a customer from the
22 claims of creditors of the person.

23 (III) COMMINGLING PROHIB-
24 ITED.—Payment stablecoins, private
25 keys, cash, and other property of a

1 customer shall be separately ac-
2 counted for by a person described in
3 subclause (I) and shall not be com-
4 mingled with the funds of the person.

5 (IV) EXCEPTIONS.—Notwith-
6 standing subclause (III)—

7 (aa) the payment
8 stablecoins, private keys, cash,
9 and other property of a customer
10 may, for convenience, be commin-
11 gled and deposited in an omnibus
12 account holding the payment
13 stablecoins, private keys, cash,
14 and other property of more than
15 one customer at an insured de-
16 pository institution or trust com-
17 pany;

18 (bb) such share of the pay-
19 ment stablecoins, private keys,
20 cash, and other property of the
21 customer that shall be necessary
22 to transfer, adjust, or settle a
23 transaction or transfer of assets
24 may be withdrawn and applied to
25 such purposes, including the pay-

1 ment of commissions, taxes, stor-
2 age, and other charges lawfully
3 accruing in connection with the
4 provision of services by a person
5 described in subclause (I); and

6 (cc) in accordance with such
7 terms and conditions as the
8 Board may prescribe by rule, reg-
9 ulation, or order, any customer
10 payment stablecoin, private key,
11 cash, or other property described
12 in subclause (III) may be com-
13 mingled and deposited in cus-
14 tomer accounts with payment
15 stablecoins, private keys, cash,
16 and other property received by
17 the person and required by the
18 Board to be separately accounted
19 for, treated, and dealt with as be-
20 longing to customers.

21 (V) FINANCIAL RESOURCES.—

22 The Board may establish minimum fi-
23 nancial resource requirements applica-
24 ble to a person described in subclause
25 (I).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(VI) SUPERVISION.—

(aa) IN GENERAL.—With respect to a person described under subclause (I), the Board may conduct examinations of and require reports from the person for purposes of ensuring compliance with the requirements set forth in subclauses (II) through (V).

(bb) OBTAINING INFORMATION FROM PUBLIC SOURCES AND EXISTING REGULATORS.—In requiring reports, conducting examination, and requesting information necessary to conduct supervision under this subclause, the Board shall make best efforts to first obtain the necessary information from public sources and existing regulators, including the person’s primary State regulator, if applicable.

(VII) ENFORCEMENT.—The Board shall enforce the requirements provided in subclause (II) through (V)

1 for a person described under sub-
2 clause (I) as if such person were a li-
3 censed nonbank entity.

4 (VIII) LIMITATION.—A person
5 described in subclause (I) shall not be
6 subject to the requirements of this
7 clause if the person is subject to su-
8 pervision or regulation by a primary
9 financial regulatory agency described
10 under subparagraph (A), (B), or (C)
11 of section 2(12) of the Dodd-Frank
12 Wall Street Reform and Consumer
13 Protection Act (12 U.S.C. 5301(12)).

14 (IX) CLARIFICATION.—The re-
15 quirements of this clause shall not
16 apply to any person that engages in
17 the business of providing hardware or
18 software to facilitate a customer's own
19 custody or safekeeping of the cus-
20 tomer's stablecoins or private keys.

21 (iii) FEDERAL REGULATOR.—In this
22 title, the appropriate Federal payment
23 stablecoin regulator for a person described
24 in clause (ii)(I) who is not a payment
25 stablecoin issuer shall be the Board.

1 (11) AUTHORITY TO PROTECT THE PUBLIC.—

2 With respect to a payment stablecoin issuer, the ap-
3 propriate Federal payment stablecoin regulator may
4 prohibit the issuer (or any affiliate of the issuer)
5 from issuing additional payment stablecoins if the
6 appropriate Federal payment stablecoin regulator
7 determines the issuer (or affiliate) is doing so in a
8 manner inconsistent with the factors described in
9 paragraph (4) of subsection (b) or paragraph (4) of
10 subsection (c), as applicable.

11 (12) TREATMENT OF INSOLVENT PAYMENT
12 STABLECOIN ISSUERS.—In any insolvency pro-
13 ceeding with respect to a payment stablecoin issuer,
14 claims from persons holding payment stablecoins
15 issued by the payment stablecoin issuer shall have
16 priority over all other claims against the payment
17 stablecoin issuer.

18 (e) TREATMENT UNDER THE BANK SECRECY ACT.—
19 Any payment stablecoin issuer or person providing services
20 or conducting activities described in subsection (d)(10)(D)
21 shall be treated as a financial institution for purposes of
22 the Bank Secrecy Act.

23 (f) TREATMENT UNDER THE BANK HOLDING COM-
24 PANY ACT OF 1956 AND SIMILAR PROVISIONS.—

1 (1) INSURED DEPOSITORY INSTITUTIONS.—An
2 insured depository institution with a subsidiary that
3 is a payment stablecoin issuer shall be considered a
4 bank for purposes of the Bank Holding Company
5 Act of 1956. The previous sentence shall not apply
6 to an insured depository institution that is a savings
7 association for purposes of section 10(a) of the
8 Home Owners’ Loan Act.

9 (2) NONBANK ENTITIES.—The Board shall
10 issue regulations to apply the following to a licensed
11 nonbank entity:

12 (A) A prohibition on a non-financial com-
13 mercial company controlling the nonbank enti-
14 ty. For purposes of the previous sentence, “con-
15 trol” of a nonbank entity is determined using
16 the framework set out in section 2(a) of the
17 Bank Holding Company Act of 1956 (12
18 U.S.C. 1841(a)).

19 (B) A requirement that all affiliates of the
20 nonbank entity be financial in nature.

21 (C) Restrictions on transactions with affili-
22 ates, to the same extent and subject to the
23 same exceptions and exemptions as a member
24 bank under sections 23A and 23B of the Fed-
25 eral Reserve Act.

1 (g) CONTROL SYSTEMS.—A payment stablecoin
2 issuer that issues stablecoins shall maintain appropriate
3 controls to conduct the activity in a safe and sound matter
4 and in compliance with any applicable law, rule, regula-
5 tion, order, or condition imposed in writing by the appro-
6 priate Federal payment stablecoin regulator, including the
7 Bank Secrecy Act and the USA PATRIOT Act (Public
8 Law 107–56).

9 (h) PAYMENT STABLECOINS NOT SUBJECT TO DE-
10 POSIT INSURANCE.—

11 (1) IN GENERAL.—Payment stablecoins are not
12 backed by the full faith and credit of the United
13 States, guaranteed by the United States Govern-
14 ment, subject to deposit insurance by the Federal
15 Deposit Insurance Corporation, or subject to share
16 insurance by the National Credit Union Administra-
17 tion.

18 (2) DISCLOSURE.—Payment stablecoin issuers
19 and any person described in subsection
20 (d)(9)(D)(ii)(I) shall clearly and prominently dis-
21 close that the relevant payment stablecoin is not
22 guaranteed by the United States Government or cov-
23 ered by deposit insurance by the Federal Deposit In-
24 surance Corporation or by share insurance of the
25 National Credit Union Administration.

1 (3) MISREPRESENTATION OF INSURED STA-
2 TUS.—No person may represent that payment
3 stablecoins are backed by the full faith and credit of
4 the United States, guaranteed by the United States
5 Government, or subject to Federal deposit insurance
6 or Federal share insurance, and any such represen-
7 tation shall be a violation of section 18(a)(4) of the
8 Federal Deposit Insurance Act (12 U.S.C.
9 1828(a)(4)) or section 709 of title 18, United States
10 Code, as applicable.

11 (i) FINANCIAL INCLUSION.—

12 (1) IN GENERAL.—Each payment stablecoin
13 issuer shall provide diversity and inclusion informa-
14 tion, including employment, procurement, and execu-
15 tive leadership diversity data, to the Office of Minor-
16 ity and Women Inclusion of the appropriate Federal
17 payment stablecoin regulator.

18 (2) ANNUAL REPORT.—Each payment
19 stablecoin issuer with more than \$150,000,000 in
20 total payment stablecoins outstanding in the aggre-
21 gate shall submit to the appropriate Federal pay-
22 ment stablecoin regulator an annual report that de-
23 tails—

24 (A) the joint ventures, partnerships, con-
25 tracts, mentorships, and other engagements the

1 payment stablecoin issuer (including any parent
2 company, subsidiary, or affiliate of the payment
3 stablecoin issuer) has with any diverse-owned or
4 diverse-led entities and veteran-owned or vet-
5 eran-led entities during the period covered by
6 the report; and

7 (B) the payment stablecoin issuer's efforts
8 to promote inclusion for businesses and retail
9 consumers, as appropriate, in all jurisdictions
10 and across all racial and ethnic groups and geo-
11 graphic locations.

12 (3) PUBLICATION AND USE OF ANNUAL RE-
13 PORTS.—The appropriate Federal payment
14 stablecoin regulator receiving an annual report
15 under paragraph (2)—

16 (A) shall publish such report on the
17 website of the appropriate Federal payment
18 stablecoin regulator; and

19 (B) may take such report into account
20 when the appropriate Federal payment
21 stablecoin regulator carries out the regulation
22 and supervision of the payment stablecoin
23 issuer.

24 (j) EFFECTIVE DATE.—

1 (1) IN GENERAL.—This section shall take effect
2 on the earlier of—

3 (A) 18 months after the date of enactment
4 of this Act; or

5 (B) the date that is 90 days after the date
6 on which the appropriate Federal payment
7 stablecoin regulators—

8 (i) issue final regulations imple-
9 menting this section; and

10 (ii) notify the Congress and the public
11 that such final regulations have been
12 issued.

13 (2) AUTHORITY TO ISSUE REGULATIONS AND
14 PROCESS APPLICATIONS.—Notwithstanding para-
15 graph (1), the Federal banking agencies may issue
16 regulations to carry out this section consistent with
17 the requirements of this Act and accept and process
18 applications from insured depository institutions to
19 issue payment stablecoins through a subsidiary be-
20 fore the effective date under paragraph (1) and the
21 Board may accept and process applications to be-
22 come a licensed nonbank entity before the effective
23 date under paragraph (1).

24 (3) NOTICE TO CONGRESS.—Each Federal pay-
25 ment stablecoin regulator shall notify Congress once

1 beginning to process applications described under
2 paragraph (2).

3 (4) SAFE HARBOR FOR PENDING APPLICA-
4 TIONS.—The appropriate Federal payment
5 stablecoin regulator may waive the application of the
6 requirements of this section for a period not to ex-
7 ceed 12 months beginning on the effective date
8 under paragraph (1), with respect to—

9 (A) a subsidiary of an insured depository
10 institution, if such insured depository institu-
11 tion has an application pending for the sub-
12 subsidiary to become a payment stablecoin issuer
13 on the effective date under paragraph (1); or

14 (B) a nonbank entity, if the nonbank enti-
15 ty has an application pending to become a li-
16 censed nonbank entity on the effective date
17 under paragraph (1).

18 (k) REPORT ON RULEMAKING STATUS.—Not later
19 than 6 months after the date of enactment of this Act,
20 the Federal payment stablecoin regulators shall provide a
21 status update on the development of the rulemaking under
22 this Act to the Committee on Financial Services of the
23 House of Representatives and the Committee on Banking,
24 Housing, and Urban Affairs of the Senate.

1 **SEC. 103. STATE QUALIFIED PAYMENT STABLECOIN**
2 **ISSUERS.**

3 (a) **IN GENERAL.**—The prohibition in section
4 102(a)(1) shall not apply with respect to payment
5 stablecoins issued by a registered State qualified payment
6 stablecoin issuer.

7 (b) **CONSULTATION WITH STATE APPROVAL PROC-**
8 **ESS.**—The Board may, upon request, consult with a State
9 payment stablecoin regulator with respect to the require-
10 ments for a nonbank entity to be approved by the State
11 payment stablecoin regulator, including by describing the
12 factors listed in section 102(c).

13 (c) **REGISTRATION REQUIREMENT.**—

14 (1) **IN GENERAL.**—A State qualified payment
15 stablecoin issuer shall register with the Board not
16 later than 180 days after being approved to issue
17 payment stablecoins by a State payment stablecoin
18 regulator. The Board may extend such 180-day
19 timeline if the Board determines it appropriate.

20 (2) **REQUIREMENT FOR COMPLETE AND EFFEC-**
21 **TIVE REGISTRATION STATEMENT.**—For purposes of
22 this title and the definition of a registered State
23 qualified payment stablecoin issuer under section
24 101, a State qualified payment stablecoin issuer
25 shall not be deemed to have registered with the
26 Board under this section until—

1 (A) the filing of a complete registration
2 statement; and

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

5 (3) CONTENTS OF REGISTRATION STATE-
6 MENT.—The Board shall, not later than 180 days
7 after the date of enactment of this Act, issue rules
8 describing the content, documents, and material re-
9 quired to be submitted to the Board by a State
10 qualified payment stablecoin issuer in order for a
11 registration statement to be deemed complete, which
12 shall include the materials required to be filed in an
13 application by a nonbank entity under section
14 102(c).

15 (4) EFFECTIVENESS OF REGISTRATION.—The
16 registration of a State qualified payment stablecoin
17 issuer shall be presumed to be effective 60 days
18 after the filing of a complete registration statement
19 with the Board, unless the Board declines the reg-
20 istration of such issuer, after reviewing the registra-
21 tion statement, based on a material shortcoming in
22 addressing any of the factors described in section
23 102(c)(4).

24 (5) DECLINATION OF REGISTRATION.—

1 (A) IN GENERAL.—If the Board declines
2 any registration of a State qualified payment
3 stablecoin issuer under paragraph (4), the
4 Board shall provide the State qualified payment
5 stablecoin issuer and the relevant State pay-
6 ment stablecoin regulator a detailed written no-
7 tice describing the Board’s findings with respect
8 to any identified material shortcomings regard-
9 ing the State qualified payment stablecoin
10 issuer, including recommendations on how the
11 State qualified payment stablecoin issuer could
12 address the identified material shortcomings.

13 (B) OPPORTUNITY FOR HEARING; FINAL
14 DETERMINATION.—Not later than 30 days after
15 the date of receipt of any notice under para-
16 graph (A), a State qualified payment stablecoin
17 issuer may request, in writing, an opportunity
18 for a written or oral hearing before the Board
19 to contest the declination of its registration
20 statement. Upon receipt of a timely request, the
21 Board shall fix a time (not later than 30 days
22 after the date of receipt of the request) and
23 place at which the State qualified payment
24 stablecoin issuer may appear, personally or
25 through counsel, to submit written materials

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

19 (C) APPEAL OF FINAL DETERMINATION.—
20 If the Board makes a final determination to de-
21 cline a registration statement of a State quali-
22 fied payment stablecoin issuer, such issuer may,
23 not later than 30 days after the date of receipt
24 of the notice of final determination under sub-
25 paragraph (B), bring an action in the United

1 States district court for the judicial district in
2 which the home office of such issuer is located,
3 or in the United States District Court for the
4 District of Columbia, for an order requiring
5 that the final determination declining the
6 issuer's registration statement be rescinded,
7 and the court shall, upon review, dismiss such
8 action or direct the final determination to be re-
9 scinded. Review of such an action shall be lim-
10 ited to whether the final determination made
11 under this section was arbitrary and capricious.

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

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

1 (7) CONSULTATION WITH STATE PAYMENT
2 STABLECOIN REGULATORS.—The Board may consult
3 with a State payment stablecoin regulator regarding
4 a State qualified payment stablecoin issuer and such
5 consultations may include receiving any materials
6 submitted as part of the application to become a
7 State qualified payment stablecoin issuer.

8 (d) SUPERVISION AND REGULATION.—

9 (1) IN GENERAL.—Upon the filing of a reg-
10 istration statement with the Board (regardless of
11 whether such registration is effective yet), and in ad-
12 dition to any supervision or regulation by a State
13 payment stablecoin regulator, a State qualified pay-
14 ment stablecoin issuer shall be subject to supervision
15 and regulation by the Board.

16 (2) FEDERAL STANDARDS APPLICABLE TO
17 STATE QUALIFIED PAYMENT STABLECOIN
18 ISSUERS.—The Board shall issue rules to regulate
19 State qualified payment stablecoin issuers in the
20 same manner as those that apply to a licensed
21 nonbank entity under this title, and a registered
22 State qualified payment stablecoin issuer shall be
23 considered a licensed nonbank entity for purposes of
24 subsections (d) and (f) of section 102.

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

4 (A) avoid duplication of examination activi-
5 ties, reporting requirements, and requests for
6 information, described in section 102, and rely
7 on—

8 (i) examination reports made by State
9 agencies relating to a State qualified pay-
10 ment stablecoin issuer and any subsidiary
11 of a State qualified payment stablecoin
12 issuer; and

13 (ii) the reports and other information
14 required under this section; and

15 (B) use—

16 (i) reports and other supervisory in-
17 formation that the State qualified payment
18 stablecoin issuer or any subsidiary thereof
19 has been required to provide to other Fed-
20 eral or State regulatory agencies;

21 (ii) information otherwise available
22 from Federal or State regulatory agencies;
23 and

24 (iii) information that is otherwise re-
25 quired to be reported publicly.

1 (4) MEMORANDUM OF UNDERSTANDING.—The
2 Board, consistent with the purposes of this title,
3 may—

4 (A) enter into agreements with State pay-
5 ment stablecoin regulators, including memoran-
6 dums of understanding, to administer this sec-
7 tion and to facilitate information sharing re-
8 garding any application a State receives with
9 respect to a potential State qualified payment
10 stablecoin issuer;

11 (B) coordinate or alternate with a State
12 payment stablecoin regulator to carry out su-
13 pervisory functions that would otherwise be car-
14 ried out by the Board under this title; and

15 (C) rely on reports and other information
16 provided by the State payment stablecoin regu-
17 lator to the Board in lieu of requiring the State
18 qualified payment stablecoin issuer to file such
19 reports and other information with the Board.

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

1 (6) ENFORCEMENT.—The Board may enforce
2 the requirements of this section as set forth in sec-
3 tion 104.

4 **SEC. 104. ENFORCEMENT.**

5 (a) IN GENERAL.—

6 (1) SUSPENSION OR REVOCATION OF REGISTRA-
7 TION.—The appropriate Federal payment stablecoin
8 regulator may prohibit a payment stablecoin issuer
9 from issuing payment stablecoins, if the appropriate
10 Federal payment stablecoin regulator determines
11 that such payment stablecoin issuer, or an institu-
12 tion-affiliated party of the payment stablecoin issuer,
13 is—

14 (A) violating or has violated any applicable
15 law, regulation, order;

16 (B) violating or has violated any condition
17 imposed in writing by the appropriate Federal
18 payment stablecoin regulator in connection with
19 a written agreement entered into between the
20 payment stablecoin issuer and the appropriate
21 Federal payment stablecoin regulator or a con-
22 dition imposed in connection with any applica-
23 tion or other request; or

24 (C) operating in an unsafe or unsound
25 manner.

1 (2) CEASE-AND-DESIST PROCEEDINGS.—If the
2 appropriate Federal payment stablecoin regulator
3 has reasonable cause to believe that a payment
4 stablecoin issuer or any institution-affiliated party of
5 a payment stablecoin issuer is violating, has violated,
6 or is attempting to violate this title, any regulation
7 or order issued pursuant to this title, or any written
8 agreement entered into with the appropriate Federal
9 payment stablecoin regulator or condition imposed in
10 writing by the appropriate Federal payment
11 stablecoin regulator in connection with any applica-
12 tion or other request, the appropriate Federal pay-
13 ment stablecoin regulator may, by provisions that
14 are mandatory or otherwise, order the payment
15 stablecoin issuer or institution-affiliated party of the
16 payment stablecoin issuer to—

17 (A) cease and desist from such violation or
18 practice;

19 (B) take affirmative action to correct the
20 conditions resulting from any such violation or
21 practice; or

22 (C) take such other action as the appro-
23 priate Federal payment stablecoin regulator de-
24 termines to be appropriate.

1 (3) REMOVAL AND PROHIBITION AUTHORITY.—

2 The appropriate Federal payment stablecoin regu-
3 lator may remove an institution-affiliated party of a
4 payment stablecoin issuer from their position or of-
5 fice or prohibit further participation in the affairs of
6 the payment stablecoin issuer or all payment
7 stablecoin issuers by such institution-affiliated party,
8 if the appropriate Federal payment stablecoin regu-
9 lator determines that—

10 (A) the institution-affiliated party has, di-
11 rectly or indirectly, committed a violation or at-
12 tempted violation of this title;

13 (B) the institution-affiliated party has
14 committed a violation of any provision of sub-
15 chapter II of chapter 53 of title 31, United
16 States Code; or

17 (C) the institution-affiliated party is dis-
18 qualified pursuant to section 102(d)(8).

19 (4) ENFORCEMENT AND PENALTY AUTHORITIES
20 WITH RESPECT TO SAFETY AND SOUNDNESS.—With
21 respect to a payment stablecoin issuer, if the appro-
22 priate Federal payment stablecoin regulator has rea-
23 sonable cause to believe that the payment stablecoin
24 issuer or an institution-affiliated party of the pay-
25 ment stablecoin issuer is engaging, has engaged, or

1 is about to engage in an unsafe or unsound practice,
2 the appropriate Federal payment stablecoin regu-
3 lator shall have the same authorities and responsibil-
4 ities (and the same penalties shall apply) as are pro-
5 vided to the Corporation with respect to an insured
6 depository institution and an institution-affiliated
7 party under section 8 of the Federal Deposit Insur-
8 ance Act (12 U.S.C. 1818).

9 (5) PROCEDURE.—If the appropriate Federal
10 payment stablecoin regulator identifies a violation or
11 attempted violation pursuant to paragraph (1) or (2)
12 or makes a determination pursuant to paragraph
13 (3), the appropriate Federal payment stablecoin reg-
14 ulator shall comply with the following:

15 (A) NOTICE.—Provide notice to the pay-
16 ment stablecoin issuer and any institution-affili-
17 ated parties of such payment stablecoin issuer,
18 which shall include—

19 (i) a statement of facts constituting
20 the identified violation or attempted viola-
21 tion; and

22 (ii) a time and place at least 30 days
23 after the date of the notice provided under
24 this subparagraph at which a hearing will
25 be held before the appropriate Federal

1 payment stablecoin regulator or any person
2 designated by the appropriate Federal pay-
3 ment stablecoin regulator with respect to
4 the violation or attempted violation.

5 (B) HEARING.—Provide a hearing, which
6 shall be held in a Federal judicial district or in
7 the territory in which the payment stablecoin
8 issuer is located unless the party afforded the
9 hearing consents to another place, and shall be
10 conducted in accordance with the provisions of
11 chapter 5 of title 5, United States Code.

12 (C) DECISION.—After such hearing, and
13 within 90 days after the appropriate Federal
14 payment stablecoin regulator has notified the
15 parties that the case has been submitted to the
16 appropriate Federal payment stablecoin regu-
17 lator for final decision, the appropriate Federal
18 payment stablecoin regulator shall render its
19 decision. Such decision shall include a state-
20 ment of the findings of fact upon which the de-
21 cision is predicated and the appropriate Federal
22 payment stablecoin regulator shall issue and
23 serve upon each party to the proceeding an
24 order or orders consistent with the provisions of
25 this section.

1 (D) EFFECTIVE DATE.—An order pre-
2 scribed pursuant to this section shall—

3 (i) be effective as of a date after the
4 date of the decision made pursuant to sub-
5 paragraph (C), except in the case of a
6 cease-and-desist order issued upon consent,
7 which shall become effective at the time
8 specified therein; and

9 (ii) remain effective and enforceable
10 as provided therein, except to such extent
11 as it is stayed, modified, terminated, or set
12 aside by action of the appropriate Federal
13 payment stablecoin regulator or a review-
14 ing court.

15 (E) APPEARANCE.—Unless the payment
16 stablecoin issuer or institution-affiliated party
17 of such payment stablecoin issuer appears per-
18 sonally at the hearing or by a duly authorized
19 representative, they shall be deemed to have
20 consented to the suspension or revocation of
21 registration, cease-and-desist order, or removal,
22 as applicable.

23 (F) JUDICIAL REVIEW.—

24 (i) IN GENERAL.—A person aggrieved
25 by a final action under this subsection may

1 obtain judicial review of such action exclu-
2 sively as provided in this subparagraph.

3 (ii) REVIEW.—Any party to any pro-
4 ceeding under this subsection may obtain a
5 review of any order served pursuant to
6 subparagraph (C), other than an order
7 issued with the consent of a payment
8 stablecoin issuer or an institution-affiliated
9 party concerned by the order, in the appro-
10 priate court of appeals of the United
11 States, or in the United States Court of
12 Appeals for the District of Columbia Cir-
13 cuit, within 30 days after the date of serv-
14 ice of such order with a written petition
15 praying that the order of the appropriate
16 Federal payment stablecoin regulator be
17 modified, terminated, or set aside. A copy
18 of such petition shall be forthwith trans-
19 mitted by the clerk of the court to the ap-
20 propriate Federal payment stablecoin regu-
21 lator, and thereupon the appropriate Fed-
22 eral payment stablecoin regulator shall file
23 in the court the record in the proceeding,
24 as provided in section 2112 of title 28,
25 United States Code. Upon the filing of

1 such petition, such court shall have juris-
2 diction, which upon the filing of the record
3 shall, except as provided in the last sen-
4 tence of this clause, be exclusive, to affirm,
5 modify, terminate, or set aside, in whole or
6 in part, the order of the appropriate Fed-
7 eral payment stablecoin regulator. Review
8 of such proceedings shall be had as pro-
9 vided in chapter 7 of title 5, United States
10 Code. The judgment and decree of the
11 court shall be final, except that the same
12 shall be subject to review by the Supreme
13 Court upon certiorari, as provided
14 in section 1254 of title 28, United States
15 Code.

16 (iii) COMMENCEMENT OF PRO-
17 CEEDINGS NOT TREATED AS A STAY.—Ex-
18 cept as provided in subparagraph (G), the
19 commencement of proceedings for judicial
20 review under clause (ii) shall not, unless
21 specifically ordered by the appropriate
22 court, operate as a stay of any order issued
23 by the appropriate Federal payment
24 stablecoin regulator.

1 (G) INJUNCTION.—The appropriate Fed-
2 eral payment stablecoin regulator may in its
3 discretion apply to the appropriate United
4 States district court or the United States court
5 of any territory, for the enforcement of any ef-
6 fective and outstanding notice or order issued
7 under this section, and such courts shall have
8 jurisdiction and power to order and require
9 compliance herewith, but except as otherwise
10 provided in this section no court shall have ju-
11 risdiction to affect by injunction or otherwise
12 the issuance or enforcement of any notice or
13 order under this section, or to review, modify,
14 suspend, terminate, or set aside any such notice
15 or order.

16 (6) TEMPORARY CEASE-AND-DESIST PRO-
17 CEEDINGS.—

18 (A) IN GENERAL.—If the appropriate Fed-
19 eral payment stablecoin regulator determines
20 that the violation or attempted violation identi-
21 fied pursuant to paragraph (1), (2), or (3), or
22 the continuation thereof, is likely to cause insol-
23 vency or significant dissipation of assets or
24 earnings of a payment stablecoin issuer, or is
25 likely to weaken the condition of the payment

1 stablecoin issuer or otherwise prejudice the in-
2 terests of its customers prior to the completion
3 of the proceedings conducted pursuant to para-
4 graph (4), the appropriate Federal payment
5 stablecoin regulator may issue a temporary
6 order requiring the payment stablecoin issuer or
7 such party to cease and desist from any such
8 violation or practice and to take affirmative ac-
9 tion to prevent or remedy such insolvency, dis-
10 sipation, condition, or prejudice pending com-
11 pletion of such proceedings.

12 (B) EFFECTIVE DATE.—An order de-
13 scribed under subparagraph (A) shall become
14 effective upon service upon the payment
15 stablecoin issuer or such institution-affiliated
16 party and, unless set aside, limited, or sus-
17 pended by a court in proceedings authorized by
18 paragraph (4)(F), shall remain effective and en-
19 forceable pending the completion of the admin-
20 istrative proceedings pursuant to such notice
21 and until such time as the appropriate Federal
22 payment stablecoin regulator acts to remove the
23 suspension or the cease-and-desist order has ex-
24 pired.

1 (C) JUDICIAL REVIEW.—Within 10 days
2 after the payment stablecoin issuer concerned
3 or any institution-affiliated party has been
4 served with a temporary cease-and-desist order,
5 the payment stablecoin issuer or such party
6 may apply to the appropriate United States dis-
7 trict court or the United States District Court
8 for the District of Columbia, for an injunction
9 setting aside, limiting, or suspending the en-
10 forcement, operation, or effectiveness of such
11 order pending the completion of the administra-
12 tive proceedings pursuant to the notice of
13 charges served upon the payment stablecoin
14 issuer or such party under paragraph (4), and
15 such court shall have jurisdiction to issue such
16 injunction.

17 (D) ENFORCEMENT.—In the case of a vio-
18 lation or attempted violation of, or failure to
19 obey, a temporary cease-and-desist order issued
20 pursuant to this paragraph, the appropriate
21 Federal payment stablecoin regulator may apply
22 to the appropriate United States district court
23 or the United States court of any territory for
24 an injunction to enforce such order, and, if the
25 court determines that there has been such viola-

1 tion or attempted violation or failure to obey, it
2 shall be the duty of the court to issue such in-
3 junction.

4 (b) CIVIL MONEY PENALTIES.—

5 (1) FAILURE TO BE APPROVED OR LICENSED.—

6 Any payment stablecoin issuer that fails to obtain
7 the applicable approval or licensing under section
8 102, or an institution-affiliated party that knowingly
9 participates in such a failure, shall be liable for a
10 civil penalty of not more than \$100,000 for each day
11 during which such failure continues.

12 (2) FIRST TIER.—Except as provided in para-
13 graph (1), a payment stablecoin issuer or institu-
14 tion-affiliated party of such payment stablecoin
15 issuer that violates this title or any regulation or
16 order issued pursuant to this title, or that violates
17 any condition imposed in writing by the appropriate
18 Federal payment stablecoin regulator in connection
19 with a written agreement entered into between the
20 payment stablecoin issuer and the appropriate Fed-
21 eral payment stablecoin regulator or a condition im-
22 posed in connection with any application or other re-
23 quest, shall be liable for a civil penalty of up to
24 \$100,000 for each day during which the violation
25 continues.

1 (3) SECOND TIER.—Except as provided in para-
2 graph (1), a payment stablecoin issuer or any insti-
3 tution-affiliated party of such payment stablecoin
4 issuer who knowingly participates in a violation of
5 any provision of this title, or any regulation or order
6 issued pursuant thereto, is liable for a civil penalty
7 of up to an additional \$100,000 for each day during
8 which the violation continues.

9 (4) PROCEDURE.—Any penalty imposed under
10 this subsection may be assessed and collected by the
11 appropriate Federal payment stablecoin regulator
12 by—

13 (A) providing a written notice which shall
14 include an explanation of the identified violation
15 or attempted violation;

16 (B) providing an opportunity to request a
17 hearing before the appropriate Federal payment
18 stablecoin regulator or any person designated
19 by the appropriate Federal payment stablecoin
20 regulator with respect to the violation or at-
21 tempted violation;

22 (C) after any such hearing or the expira-
23 tion of the time for requesting a hearing, ren-
24 dering a decision that includes a statement of

1 the findings of fact upon which the decision is
2 predicated; and

3 (D) issuing and serving upon each party to
4 the proceeding an order or orders consistent
5 with the provisions of this section.

6 (5) COLLECTION.—

7 (A) REFERRAL.—If a payment stablecoin
8 issuer or institution-affiliated party fails to pay
9 the penalty assessed under this subsection, the
10 appropriate Federal payment stablecoin regu-
11 lator shall recover the amount assessed by ac-
12 tion in the appropriate United States district
13 court.

14 (B) APPROPRIATENESS OF PENALTY NOT
15 REVIEWABLE.—The validity and appropriate-
16 ness of a penalty assessed under this subsection
17 shall not be subject to review.

18 (6) PREJUDGMENT ATTACHMENT.—

19 (A) IN GENERAL.—In any action brought
20 by the appropriate Federal payment stablecoin
21 regulator pursuant to this section, or in actions
22 brought in aid of, or to enforce an order in, any
23 administrative or other civil action for money
24 damages, restitution, or civil money penalties
25 brought by the appropriate Federal payment

1 stablecoin regulator, the court may, upon appli-
2 cation of the appropriate Federal payment
3 stablecoin regulator, issue a restraining order
4 that—

5 (i) prohibits any person subject to the
6 proceeding from withdrawing, transferring,
7 removing, dissipating, or disposing of any
8 assets; and

9 (ii) appoints a temporary receiver to
10 administer the restraining order.

11 (B) STANDARD.—Rule 65 of the Federal
12 Rules of Civil Procedure shall apply with re-
13 spect to any proceeding under subparagraph
14 (A) without regard to the requirement of such
15 rule that the applicant show that the injury,
16 loss, or damage is irreparable and immediate.

17 (7) NOTICE UNDER THIS SECTION AFTER SEPA-
18 RATION FROM SERVICE.—The resignation, termi-
19 nation of employment or participation, or separation
20 of an institution-affiliated party (including a separa-
21 tion caused by the closing of a payment stablecoin
22 issuer) shall not affect the jurisdiction and authority
23 of the appropriate Federal payment stablecoin regu-
24 lator to issue any notice or order and proceed under
25 this section against any such party, if such notice or

1 order is served before the end of the six-year period
2 beginning on the date such party ceased to be such
3 an institution-affiliated party with respect to such
4 payment stablecoin issuer.

5 (8) TIME LIMITATIONS FOR COMMENCEMENT
6 OF ACTIONS.—The appropriate Federal payment
7 stablecoin regulator may commence an action for a
8 civil penalty resulting from a violation of this title at
9 any time before the end of the six-year period begin-
10 ning on the date of such violation.

11 (c) INSTITUTION-AFFILIATED PARTY DEFINED.—In
12 this section, with respect to a payment stablecoin issuer,
13 the term “institution-affiliated party” means—

14 (1) any director, officer, employee, or person in
15 control of, or agent for, the payment stablecoin
16 issuer;

17 (2) a consultant, joint venture partner, and any
18 other person that participates in the conduct of the
19 affairs of the payment stablecoin issuer; or

20 (3) any independent contractor providing serv-
21 ices for the payment stablecoin issuer (including any
22 attorney, appraiser, or accountant).

23 **SEC. 105. INTEROPERABILITY STANDARDS.**

24 The Federal banking agencies, in consultation with
25 the National Institute of Standards and Technology, other

1 relevant standard setting organizations, and State govern-
2 ments, shall assess and, if necessary, may, pursuant to
3 section 553 of title 5 and in a manner consistent with the
4 National Technology Transfer and Advancement Act of
5 1995 (Public Law 104–113), prescribe standards for pay-
6 ment stablecoin issuers and payment stablecoin service
7 providers to promote compatibility and interoperability
8 among payment stablecoin payment systems and between
9 payment stablecoin payment systems and other payment
10 systems, including mandatory or minimum technical or
11 legal specifications that enable participants in one pay-
12 ment system to clear and settle payments across payment
13 systems without participating directly in multiple payment
14 systems.

15 **SEC. 106. MORATORIUM ON ENDOGENOUSLY**
16 **COLLATERALIZED STABLECOINS.**

17 (a) **MORATORIUM.**—During the 2-year period begin-
18 ning on the date of enactment of this Act, it shall be un-
19 lawful to issue, create, or originate an endogenously
20 collateralized stablecoin not in existence on the date of en-
21 actment of this Act.

22 (b) **STUDY BY TREASURY.**—

23 (1) **STUDY.**—The Secretary of the Treasury, in
24 consultation with the Board, the Comptroller, the
25 Corporation, and the Securities and Exchange Com-

1 mission, shall carry out a study of endogenously
2 collateralized stablecoins.

3 (2) REPORT.—Not later than 365 days after
4 the date of the enactment of this Act, the Secretary
5 shall provide to the Committee on Financial Services
6 of the House of Representatives and the Committee
7 on Banking, Housing, and Urban Affairs of the Sen-
8 ate a report that contains all findings made in car-
9 rying out the study under subsection (a), including
10 an analysis of—

11 (A) the categories of non-payment
12 stablecoins, including the benefits and risks of
13 technological design features;

14 (B) the participants in non-payment
15 stablecoin arrangements;

16 (C) utilization and potential utilization of
17 non-payment stablecoins;

18 (D) nature of reserve compositions;

19 (E) types of algorithms being employed;

20 (F) governance structure, including aspects
21 of decentralization;

22 (G) nature of public promotion and adver-
23 tising; and

24 (H) clarity and availability of consumer
25 notices disclosures.

1 (c) ENDOGENOUSLY COLLATERALIZED STABLECOIN
2 DEFINED.—In this section, the term “endogenously
3 collateralized stablecoin” means any digital asset—

4 (1) in which its originator has represented will
5 be converted, redeemed, or repurchased for a fixed
6 amount of monetary value; and

7 (2) that relies solely on the value of another
8 digital asset created or maintained by the same
9 originator to maintain the fixed price.

10 **SEC. 107. RESERVATION OF AUTHORITY.**

11 (a) IN GENERAL.—Nothing in this title shall limit the
12 authority of the Federal banking agencies, the Depart-
13 ment of the Treasury, the Bureau of Consumer Financial
14 Protection, the Securities and Exchange Commission, or
15 the Commodity Futures Trading Commission, under any
16 provision of law, including with respect to any person sub-
17 ject to this title.

18 (b) EFFECT ON STATE LAW.—The provisions of this
19 title and regulations issued pursuant to this title shall not
20 preempt a law of a State except to the extent such law
21 conflicts with the provisions of this title, and then only
22 to the extent of such conflict.

23 (c) ANTITRUST SAVINGS CLAUSE.—Nothing in this
24 title shall be construed to modify, impair, or supersede the
25 operation of any of the Federal antitrust laws, as defined

1 in subsection (a) of the first section of the Clayton Act
2 (15 U.S.C. 12(a)), or statutes proscribing unfair or decep-
3 tive acts or practices, as defined in section 5(a)(4) of the
4 Federal Trade Commission Act (15 U.S.C. 45(a)(4)).

5 (d) **INSURED DEPOSITORY INSTITUTION SAVINGS**
6 **CLAUSE.**—Nothing in this title shall limit the authority
7 of an insured depository institution (as defined in section
8 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813))
9 to engage in activities permissible pursuant to applicable
10 State and Federal law, including accepting or receiving de-
11 posits and issuing digital assets that represent deposits,
12 or to limit the authority of the Federal banking agencies
13 to interpret or establish limitations and conditions on such
14 activities.

15 **SEC. 108. ASSESSMENTS.**

16 (a) **IN GENERAL.**—Each Federal payment stablecoin
17 regulator shall assess payment stablecoin issuers for which
18 the regulator is the appropriate Federal payment
19 stablecoin regulator in an amount that, in the aggregate,
20 is equal to the total costs of the regulator in carrying out
21 this title.

22 (b) **RULEMAKING.**—The Federal payment stablecoin
23 regulators shall, jointly, issue regulations not later than
24 180 days after the date of enactment of this Act to estab-
25 lish a mechanism and assessment schedule to carry out

1 subsection (a), including the assessment base and rates
2 applicable to payment stablecoin issuers, that take into ac-
3 count differences among such issuers, including the size
4 and activity of the issuers.

5 **SEC. 109. EXTRATERRITORIALITY.**

6 (a) PROHIBITION ON OFFERS OR SALES.—It shall be
7 unlawful for any person to offer or sell a payment
8 stablecoin through the use of any medium or by any means
9 of access in interstate commerce in the United States or
10 to offer or sell a payment stablecoin to a United States
11 person living in the United States unless such payment
12 stablecoin is issued by a payment stablecoin issuer.

13 (b) LIMITED SAFE HARBORS.—The Board may issue
14 regulations providing limited safe harbors from this sec-
15 tion that are consistent with the purposes of the title.

16 (c) EXTRATERRITORIAL EFFECT.— This section is
17 intended to have extraterritorial effect.

18 **TITLE II—DIGITAL DOLLAR**

19 **SEC. 201. RESEARCH ON FEDERAL RESERVE DIGITAL DOL-**
20 **LAR.**

21 (a) STUDY.—The Board of Governors of the Federal
22 Reserve System, in consultation with the Federal payment
23 stablecoin regulators (as defined under section 101) with
24 respect to paragraphs (7) and (8) and the Financial
25 Crimes Enforcement Network, shall carry out a study on

1 the impact of a U.S. central bank digital currency (herein-
2 after referred to as a “digital dollar”), including—

3 (1) the potential impact on the Board of Gov-
4 ernor’s monetary policy tools and decision-making;

5 (2) the potential impact to the United States fi-
6 nancial system and banking sector, including impli-
7 cations for financial stability;

8 (3) the potential impact to the United States
9 payments and cross-border payments ecosystems;

10 (4) a comparison to the FedNow service;

11 (5) the potential impact to the privacy rights
12 and civil liberties of Americans;

13 (6) the potential impact to the stablecoin mar-
14 ket, including any impact on competition, innova-
15 tion, and interoperability between other digital as-
16 sets and payments systems;

17 (7) the potential impact on compliance with ex-
18 isting law and regulations related to the Bank Se-
19 crecy Act (as defined under section 101), other Fed-
20 eral anti-money laundering laws, sanctions, fraud,
21 and other financial crime;

22 (8) the potential impact on the efficacy of
23 United States economic sanctions programs and the
24 status of the United States dollar as a reserve cur-
25 rency;

1 (9) the potential impact on financial inclusion,
2 in particular for unbanked and underbanked resi-
3 dents of the United States;

4 (10) the potential impact of a failure to act or
5 act swiftly, given the speed at which other nations
6 are engaging on this topic; and

7 (11) the potential impact of engagement by the
8 United States in global forums, such as international
9 organizations or through international financial in-
10 stitutions, on the central bank digital currency issue,
11 on issues including technical, legal, and ethical
12 standards that may be applied to the development,
13 use, and interoperability of central bank digital cur-
14 rencies and their technology, whether domestic or
15 international.

16 (b) REPORT ON THE STUDY.—Not later than 1 year
17 after the date of the enactment of this Act, the Board
18 of Governors shall submit to the Committee on Financial
19 Services of the House of Representatives and the Com-
20 mittee on Banking, Housing, and Urban Affairs of the
21 Senate a report that provides the results of the study con-
22 ducted under subsection (a).

1 **SEC. 202. BRIEFING ON CENTRAL BANK DIGITAL CUR-**
2 **RENCIES.**

3 (a) IN GENERAL.—Not later than 180 days after the
4 date of enactment of this Act, the Secretary of the Treas-
5 ury, in coordination with relevant agencies, shall provide
6 a confidential briefing to the Committee on Financial
7 Services of the House of Representatives and the Com-
8 mittee on Banking, Housing, and Urban Affairs of the
9 Senate on the development of international standards re-
10 lated to central bank digital currencies (“CBDCs”), in-
11 cluding the following:

12 (1) Organizations and governments that are
13 leading bilateral or multilateral efforts to develop
14 governmental and industry standards, including the
15 Government of the People’s Republic of China, and
16 a description of those efforts.

17 (2) Implications for CBDCs, foreign and poten-
18 tially from the United States, of the engagement of
19 these organizations and governments in developing
20 the standards being used or to be used for CBDCs.

21 (3) Current or planned engagement by the
22 United States in those efforts.

23 (4) Opportunities for further United States en-
24 gagement.

1 (b) STANDARDS.—In providing the briefing required
2 under subsection (a), the Secretary shall consider the fol-
3 lowing standards:

4 (1) Monetary and financial stability.

5 (2) Interoperability among CBDCs and other
6 public and private elements of the financial system.

7 (3) Convertibility and availability for users, in-
8 cluding methods by which users will hold and use
9 CBDCs.

10 (4) Accessibility and inclusivity.

11 (5) Privacy, human rights, and civil liberties.

12 (6) National security concerns, including anti-
13 money laundering, countering the financing of ter-
14 rorism, and sanctions efficacy.

15 (7) Systemic security, including defense from
16 cyberattacks, fraud, and counterfeiting.

17 (8) Resiliency against operational failures.

18 (9) Legal and regulatory frameworks.

19 (10) Such other standards as the Secretary de-
20 termines are appropriate.