

The Stablecoin TRUST Act

Section-by-Section

Section 1: Short Title

- This bill may be cited as the “Stablecoin Transparency of Reserves and Uniform Safe Transactions Act of 2022” or the “Stablecoin TRUST Act of 2022.”

Section 2: Definitions

- Defines, among other things, “digital asset,” “national limited payment stablecoin issuer,” “payment stablecoin,” and “payment stablecoin issuer.”

Section 3: Issuance of Payment Stablecoins

- Authorizes the following entities to issue payment stablecoins:
 - Depository institutions;
 - Entities that receive a new federal license designed specifically for payment stablecoin issuers;
 - State-based money transmitting businesses, non-depository trust companies, and other entities authorized by state banking supervisors; and
 - National trust banks.
- Provides that entities with the new federal license and other payment stablecoin issuers with similar business models will be granted Federal Reserve master accounts and services.

Section 4: Disclosures, Redemption Policies, Attestations, and Permissible Assets for Payment Stablecoin Issuers

- Establishes new, standardized public disclosure requirements for all payment stablecoin issuers, including:
 - What assets back the payment stablecoin;
 - Redemption policies; and
 - Attestations from registered public accounting firms.
- Requires all issuers to fully back their payment stablecoins with high-quality liquid assets.

Section 5: Equal Treatment for Depository Institutions

- Removes uncertainty for depository institutions by clarifying that they are permitted to issue payment stablecoins.
- Gives depository institutions the option to separate payment stablecoin issuance from other activities and receive equitable and tailored regulatory treatment.

Section 6: National Limited Payment Stablecoin Issuers

- Creates a new federal license issued by the Office of the Comptroller of the Currency (OCC) and designed specifically for payment stablecoin issuers.

Section 7: Exemption from Securities Requirements

- Clarifies that payment stablecoins are not securities and payment stablecoin issuers are not investment companies or investment advisers.

Section 8: Privacy Protections for Digital Assets Payment Stablecoin Users

- Applies existing privacy and data security requirements to payment stablecoin issuers.
- Rejects the notion that existing and antiquated Bank Secrecy Act reporting requirements should be applied to new technologies like digital assets.
- Clarifies that private transactions not involving an intermediary or a financial institution do not need to be reported.

Section 9: Treatment of Insolvent Payment Stablecoin Issuers

- Protects consumers by clarifying that payment stablecoin holders would have priority in the event of an issuer's insolvency.

Section 10: Rules of Construction

- Clarifies that the legislation does not affect non-payment stablecoins (e.g., stablecoins backed by commodities or other digital assets, or algorithmic stablecoins).
- Clarifies that state banking supervisors are permitted to impose additional or stricter regulatory standards on state-licensed payment stablecoin issuers.
- Clarifies that insured depository institutions may accept or receive deposits and issue digital assets that represent deposits.