

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 (Stablecoin TRUST) Act.”

Section 2: Definitions

- Defines, among other things, what entities qualify as “national limited payment stablecoin issuer(s)” and what constitutes a permissible “payment stablecoin.”

Section 3: Issuance of Payment Stablecoins

- Provides that payment stablecoin issuers must choose from one of three regulatory regimes:
 - A traditional bank charter;
 - A new federal license designed specifically for payment stablecoin issuers; or
 - A state-based money transmitter or similar license under state law.

Section 4: Disclosures, Redemption Policies, and Attestations for Payment Stablecoins

- Establishes, for all payment stablecoin issuers under section 3, new, standardized public disclosure requirements, including:
 - What assets back the payment stablecoin;
 - Redemption policies; and
 - Attestations.
- These requirements are intended to help consumers assess the safety of each payment stablecoin and make an informed choice about which payment stablecoin to use.

Section 5: Equal Treatment for Insured Depository Institutions

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

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. The OCC will be responsible for implementing the bill’s tailored regulatory framework.

- In addition to the disclosure, redemption, and attestation requirements applicable to all payment stablecoin issuers, issuers with the new OCC license will be subject to:
 - Capital requirements;
 - Liquidity requirements;
 - Governance and risk-management requirements; and
 - Reserve asset requirements.
- Issuers with this license will be granted Federal Reserve master accounts and services.

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 Convertible Virtual Currencies and Payment Stablecoin Users

- Applies existing privacy and data security requirements to payment stablecoin issuers.
- This section rejects the notion that existing and antiquated Bank Secrecy Act reporting requirements should be applied to new technologies like virtual currencies. Specifically, it clarifies that private transactions not involving an intermediary or a financial institution do not need to be reported.

Section 9: Rule of Construction

- Clarifies that the legislation does not affect non-payment stablecoins (e.g., stablecoins backed by commodities or virtual currencies, or algorithmic stablecoins).