



AMENDMENT NO. \_\_\_\_\_

Calendar No. \_\_\_\_\_

Purpose: To improve the bill.

IN THE SENATE OF THE UNITED STATES—119th Cong., 1st Sess.

**S. 1582**

To

**AMENDMENT N<sup>o</sup> 2241**

and

By

*Hagerty*

Refer

To:

and

*S. 1582**26*

AMEN

Page(s)

GPO: 2024 57-806 (mac)

*+ Gillibrand +  
Smith (SC) + Lummis*

Viz:

- 1 On page 3, line 25, strike “node”.
- 2 On page 9, line 23, insert “is” after “that”.
- 3 On page 9, strike line 24 and all that follows through
- 4 page 10, line 9, and insert the following:
  - 5 (A) a subsidiary of an insured depository
  - 6 institution that has been approved to issue pay-
  - 7 ment stablecoins under section 5;
  - 8 (B) a Federal qualified payment stablecoin
  - 9 issuer; or

1 (C) a State qualified payment stablecoin  
2 issuer.

3 On page 13, line 18, strike “any” and insert “a”.

4 On page 13, line 24, strike “person” and insert “dig-  
5 ital asset service provider”.

6 On page 14, line 5, strike “or” and insert “and any”.

7 On page 14, line 18, strike “If the Secretary” and  
8 all that follows through line 21, and insert the following:

9 (A) IN GENERAL.—If the Secretary of the  
10 Treasury determines that unusual and exigent  
11 circumstances exist, the Secretary may provide  
12 limited safe harbors from subsection (a).

13 (B) JUSTIFICATION.—Prior to issuing a  
14 limited safe harbor under this paragraph, the  
15 Secretary of the Treasury shall submit to the  
16 chairs and ranking members of the Committee  
17 on Banking, Housing, and Urban Affairs of the  
18 Senate and the Committee on Financial Serv-  
19 ices of the House of Representatives a justifica-  
20 tion for the determination of the unusual and

1           exigent circumstances, which may be contained  
2           in a classified annex, as applicable.

3           On page 14, line 22, strike “The” and insert “Con-  
4           sistent with section 13, the”.

5           On page 14, line 23, strike “may” and insert “shall”/

6           On page 14, line 25, strike “statutory”.

7           On page 15, line 19, insert “as” before “a cash equiv-  
8           alent”.

9           On page 15, line 21, insert “as” before “a cash equiv-  
10          alent”.

11          On page 16, line 5, strike “RULE” and insert  
12          “RULES”.

13          On page 16, strike lines 7 through 18 and insert the  
14          following:

15               (1) EXEMPT TRANSACTIONS.—This section  
16          shall not apply to—

1 (A) the direct transfer of digital assets be-  
2 tween 2 individuals acting on their own behalf  
3 and for their own lawful purposes, without the  
4 involvement of an intermediary;

5 (B) to any transaction involving the receipt  
6 of digital assets by an individual between an ac-  
7 count owned by the individual in the United  
8 States and an account owned by the individual  
9 abroad that are offered by the same parent  
10 company; or

11 (C) to any transaction by means of a soft-  
12 ware or hardware wallet that facilitates an indi-  
13 vidual's own custody of digital assets.

14 (2) TREASURY AUTHORITY.—Nothing in this  
15 Act shall alter the existing authority of the Sec-  
16 retary of the Treasury to block, restrict, or limit  
17 transactions involving payment stablecoins that ref-  
18 erence or are denominated in United States dollars  
19 that are subject to the jurisdiction of the United  
20 States.

21 On page 28, lines 17 and 18, strike “, as applicable”.

22 On page 28, lines 20 and 21, strike “and economic  
23 sanctions compliance”.

1       On page 28, lines 22 and 23, strike “, verification  
2 of sanctions lists,”.

3       On page 28, line 24, strike “programs” and insert  
4 “program”.

5       On page 29, line 4, strike “policies” and insert “tech-  
6 nical capabilities, policies,”.

7       On page 29, line 7, strike “and”.

8       On page 29, line 13, strike the period and insert “;  
9 and”.

10       On page 29, between lines 13 and 14, insert the fol-  
11 lowing:

12                       (vi) maintenance of an effective eco-  
13                       nomic sanctions compliance program, in-  
14                       cluding verification of sanctions lists, con-  
15                       sistent with Federal law.

16       On page 29, lines 14 and 15, strike “Financial  
17 Crimes Enforcement Network” and insert “Secretary of  
18 the Treasury”.

1       On page 32, lines 21 and 22, strike “and the amend-  
2   ments made by that section”.

3       On page 32, strike lines 10 through 16 and insert  
4   the following:

5               (B) RULE OF CONSTRUCTION.—Nothing in  
6               subparagraph (A) shall limit a permitted pay-  
7               ment stablecoin issuer from engaging in pay-  
8               ment stablecoin activities or digital asset service  
9               provider activities specified by this Act, and ac-  
10              tivities incidental thereto, that are authorized  
11              by the primary Federal payment stablecoin reg-  
12              ulator or the State payment stablecoin regu-  
13              lator, as applicable, consistent with all other

14       On page 33, line 15, strike “A permitted” and all  
15   that follows through page 34, line 3, and insert the fol-  
16   lowing:

17               (A) IN GENERAL.—A permitted payment  
18               stablecoin issuer may not—

19                       (i) use any combination of terms re-  
20                       lating to the United States Government,  
21                       including “United States”, “United States  
22                       Government”, and “USG”, in the name of  
23                       a payment stablecoin; or

1 (ii) market a payment stablecoin in  
2 such a way that a reasonable person would  
3 perceive the payment stablecoin to be—

4 (I) legal tender, as described in  
5 section 5103 of title 31, United States  
6 Code;

7 (II) issued by the United States;  
8 or

9 (III) guaranteed or approved by  
10 the Government of the United States.

11 (B) PEGGED STABLECOINS.—Abbrevia-  
12 tions directly relating to the currency to which  
13 a payment stablecoin is pegged, such as  
14 “USD”, are not subject to the prohibitions in  
15 subparagraph (A).

16 On page 36, strike lines 7 through 12 and insert the  
17 following:

18 (11) PROHIBITION ON INTEREST.—No per-  
19 mitted payment stablecoin issuer or foreign payment  
20 stablecoin issuer shall pay the holder of any payment  
21 stablecoin any form of interest or yield (whether in  
22 cash, tokens, or other consideration) solely in con-  
23 nection with the holding, use, or retention of such  
24 payment stablecoin.

1       On page 36, between lines 12 and 13, insert the fol-  
2       lowing:

3               (12) NON-FINANCIAL SERVICES PUBLIC COMPA-  
4       NIES.—

5               (A) DEFINITIONS.—In this paragraph:

6                       (i) FINANCIAL ACTIVITIES.—The term  
7               “financial activities”—

8                               (I) has the meaning given that  
9               term in section 4(k) of the Bank  
10              Holding Company Act of 1956 (12  
11              U.S.C. 1843(k)); and

12                              (II) for the avoidance of doubt,  
13              includes those activities described in  
14              subparagraphs (A) and (B) of section  
15              2(7) and section 4(a)(7)(A) of this  
16              Act.

17                      (ii) PUBLIC COMPANY.—The term  
18              “public company” means an issuer that is  
19              required to file reports under section 13(a)  
20              or 15(d) of the Securities Exchange Act of  
21              1934 (15 U.S.C. 78m(a), 78o(d)).

22              (B) PROHIBITION.—

23                      (i) IN GENERAL.—A public company  
24              that is not predominantly engaged in 1 or  
25              more financial activities, and its wholly or



1 majority owned subsidiaries or affiliates,  
2 may not issue a payment stablecoin unless  
3 the public company obtains a unanimous  
4 vote of the Stablecoin Certification Review  
5 Committee finding that—

6 (I) it will not pose a material risk  
7 to the safety and soundness of the  
8 United States banking system, the fi-  
9 nancial stability of the United States,  
10 or the Deposit Insurance Fund;

11 (II) the public company will com-  
12 ply with data use limitations providing  
13 that, unless the public company re-  
14 ceives consent from the consumer,  
15 nonpublic personal information ob-  
16 tained from stablecoin transaction  
17 data may not be—

18 (aa) used to target, person-  
19 alize, or rank advertising or other  
20 content;

21 (bb) sold to any third party;

22 or

23 (cc) shared with non-affili-  
24 ates; and

1 (III) the public company and the  
2 affiliates of the public company will  
3 comply with the tying prohibitions  
4 under paragraph (8).

5 (ii) EXCEPTION.—The prohibition  
6 under clause (i) against the sharing of con-  
7 sumer information shall not apply to shar-  
8 ing of such information—

9 (I) to comply with Federal,  
10 State, or local laws, rules, and other  
11 applicable legal requirements;

12 (II) to comply with a properly  
13 authorized civil, criminal, or regu-  
14 latory investigation, subpoena, or  
15 summons by a Federal, State, or local  
16 authority; or

17 (III) to respond to judicial proc-  
18 ess or a government regulatory au-  
19 thority having jurisdiction over the  
20 public company.

21 (C) EXTENSION OF PROHIBITION.—

22 (i) IN GENERAL.—Any company not  
23 domiciled in the United States or its Terri-  
24 tories that is not predominantly engaged in  
25 1 or more financial activities, may not

1 issue a payment stablecoin unless the pub-  
2 lie company obtains a unanimous vote of  
3 the Stablecoin Certification Review Com-  
4 mittee finding that—

5 (I) it will not pose a material risk  
6 to the safety and soundness of the  
7 United States banking system, the fi-  
8 nancial stability of the United States,  
9 or the Deposit Insurance Fund;

10 (II) the public company will com-  
11 ply with data use limitations providing  
12 that, unless the public company re-  
13 ceives consent from the consumer,  
14 nonpublic personal information ob-  
15 tained from stablecoin transaction  
16 data may not be—

17 (aa) used to target, person-  
18 alize, or rank advertising or other  
19 content;

20 (bb) sold to any third party;

21 or

22 (cc) shared with non-affili-  
23 ates; except

24 (III) the public company and the  
25 affiliates of the public company will

1                   comply with the tying prohibitions  
2                   under paragraph (8).

3                   (ii) EXCEPTION.—The prohibition  
4                   under clause (i) against the sharing of con-  
5                   sumer information shall not apply to shar-  
6                   ing of such information—

7                   (I) to comply with Federal,  
8                   State, or local laws, rules, and other  
9                   applicable legal requirements;

10                  (II) to comply with a properly  
11                  authorized civil, criminal, or regu-  
12                  latory investigation, subpoena, or  
13                  summons by a Federal, State, or local  
14                  authority; or

15                  (III) to respond to judicial proc-  
16                  ess or a government regulatory au-  
17                  thority having jurisdiction over the  
18                  public company.

19                  (D) RULEMAKING.—Not later than 1 year  
20                  after the date of enactment of this Act, the  
21                  Stablecoin Certification Review Committee shall  
22                  issue an interpretive rule clarifying the applica-  
23                  tion of this paragraph.

24                  (13) ELIGIBILITY.—Nothing in this Act shall  
25                  be construed as expanding or contracting legal eligi-

1        bility to receive services available from a Federal Re-  
2        serve bank or to make deposits with a Federal Re-  
3        serve bank, in each case pursuant to the Federal Re-  
4        serve Act.

5        On page 36, line 13, strike “(12)” and insert “(14)”.

6        On page 38, lines 2 and 3, strike “that subsection”  
7        and insert “this Act”.

8        On page 40, line 13, insert “any” after “to”.

9        On page 43, line 1, insert “(or the Vice Chair for  
10       Supervision, as delegated by the Chair of the Board)”  
11       after “Board”.

12       On page 46, line 16, strike “a”.

13       On page 46, line 17, strike “stablecoin” and insert  
14       “stablecoins”.

15       On page 47, line 18, strike “, provided that” and all  
16       that follows through line 25.

1       On page 49, line 6, strike “may” and insert “shall”.

2       On page 51, lines 14 and 15, strike “House of Rep-  
3   resentatives and the Senate” and insert “Senate and the  
4   House of Representatives”.

5       On page 51, lines 19 and 20, strike “House of Rep-  
6   resentatives and the Senate” and insert “Senate and the  
7   House of Representatives”.

8       On page 51, line 22, strike “product”.

9       On page 51, line 23, insert “For the purposes of this  
10   paragraph, an employee described in section 202 of title  
11   18, United States Code, shall be deemed an executive  
12   branch employee for purposes of complying with section  
13   208 of that title.” after “public service.”.

14       On page 60, line 21, insert “Nothing in this sub-  
15   section shall preempt or supersede the authority of a State  
16   to charter, license, supervise, or regulate an insured depos-  
17   itory institution or credit union chartered in such State  
18   or to supervise a subsidiary of such insured depository in-  
19   stitution or credit union that is approved under this sec-

1 tion to be a permitted payment stablecoin issuer.” after  
2 “stablecoin issuer.”.

3 On page 61, line 9, strike “including,”.

4 On page 63, lines 22 and 23, strike “to be” and in-  
5 sert “and”.

6 On page 64, line 9, strike “with” and insert “within”.

7 On page 66, line 5, insert “or recklessly” after “will-  
8 fully” each place it appears.

9 On page 73, strike lines 3 through 8 and insert the  
10 following:

11 (c) RULE OF CONSTRUCTION.—Nothing in this Act  
12 may be construed to modify or otherwise affect any right  
13 or remedy under any Federal consumer financial law, in-  
14 cluding 12 U.S.C. 5515 and 15 U.S.C. 41 et seq.

15 On page 81, lines 5 and 6, strike “Unless otherwise  
16 provided in this Act” and insert “Notwithstanding any  
17 other provision of law”.

1       On page 82, lines 8 and 9, strike “as specified in  
2 this subsection” and insert “for State laws relating to the  
3 chartering, licensure, or other authorization to do business  
4 as a permitted payment stablecoin issuer”.

5       On page 82, line 13, strike “STABLECOIN” and insert  
6 “STABLECOINS”.

7       On page 82, line 15, strike “Payment” and insert “A  
8 payment”.

9       On page 82, line 18, insert “by a digital asset service  
10 provider” after “United States”.

11       On page 83, lines 6 and 7, strike “that is”.

12       On page 83, line 25, insert “except as provided in  
13 subsection (c)” after “(a),”.

14       On page 83, line 25, strike “may” and insert “shall”.

15       On page 85, between lines 4 and 5, insert the fol-  
16 lowing:



1                   (C) PUBLICATION.—Upon a determination  
2                   under subparagraph (A), the Secretary of the  
3                   Treasury shall publish the determination in the  
4                   Federal Register, including a statement detail-  
5                   ing how the foreign payment stablecoin issuer  
6                   has met the criteria described in subparagraph  
7                   (B).

8           On page 86, line 9, insert “Notwithstanding the fore-  
9   going, the Secretary of Treasury may determine that mul-  
10   tiple acts of noncompliance constitute separate violations  
11   if such acts were the result of gross negligence, a reckless  
12   disregard for, or a pattern of indifference to, money laun-  
13   dering, financing of terrorism, or sanctions evasion re-  
14   quirements.” after “cause.”.

15           On page 88, line 15, insert “(2), or (3),” after “(1),”.

16           On page 88, lines 15 and 16, strike “a report”.

17           On page 88, line 19, insert “a report, which may in-  
18   clude a classified annex, if applicable,” after “House of  
19   Representatives,”.

1       On page 88, between lines 22 and 23, insert the fol-  
2       lowing:

3       (d) **RULE OF CONSTRUCTION.**—Nothing in this Act  
4       shall be construed as altering the existing authority of the  
5       Secretary of the Treasury to block, restrict, or limit trans-  
6       actions involving payment stablecoins that reference or are  
7       denominated in United States dollars that are subject to  
8       the jurisdiction of the United States.

9       On page 91, line 22, strike “Best practices” and in-  
10      sert “Standards”.

11      On page 92, line 2, strike “and” and insert “or”.

12      On page 92, line 3, strike “Best practices” and insert  
13      “Standards”.

14      On page 92, between lines 9 and 10, insert the fol-  
15      lowing:

16               (4) Tailored risk management standards for fi-  
17      nancial institutions interacting with decentralized fi-  
18      nance protocols.

1       On page 92, line 11, strike “Not later than” and all  
2 that follows through page 93, line 7, and insert the fol-  
3 lowing:

4           (1) IN GENERAL.—Not later than 180 days  
5 after the date of enactment of this Act, the Sec-  
6 retary of the Treasury shall submit to the chairs and  
7 ranking members of the Committee on Banking,  
8 Housing, and Urban Affairs of the Senate and the  
9 Committee on Financial Services of the House of  
10 Representatives a report on—

11           (A) legislative and regulatory proposals to  
12 allow regulated financial institutions to develop  
13 and implement novel and innovative methods,  
14 techniques, or strategies to detect illicit activity,  
15 such as money laundering and sanctions eva-  
16 sion, involving digital assets;

17           (B) the results of the research and risk as-  
18 sessments conducted pursuant to this section;

19           (C) efforts to support the ability of finan-  
20 cial institutions to implement novel and innova-  
21 tive methods, techniques, or strategies to detect  
22 illicit activity, such as money laundering and  
23 sanctions evasion, involving digital assets;

24           (D) the extent to which transactions on  
25 distributed ledgers, digital asset mixing serv-

1           ices, tumblers, or other similar services that  
2           mix payment stablecoins in such a way as to  
3           make such transaction or the identity of the  
4           transaction parties less identifiable may facili-  
5           tate illicit activity; and

6                   (E) legislative recommendations relating to  
7           the scope of the term “digital asset service pro-  
8           vider” and the application of that term to de-  
9           centralized finance.

10           (2) CLASSIFIED ANNEX.—A report under this  
11           section may include a classified annex, if applicable.

12           On page 95, strike line 1 through 25 and insert the  
13           following:

14           (b) CUSTOMER PROPERTY REQUIREMENT.—A per-  
15           son described in subsection (a) shall, with respect to other  
16           property described in that subsection—

17                   (1) treat and deal with the payment stablecoins,  
18           private keys, cash, and other property of a person  
19           for whom or on whose behalf the person described  
20           in that subsection receives, acquires, or holds pay-  
21           ment stablecoins, private keys, cash, and other prop-  
22           erty (hereinafter referred to in this section as the  
23           “customer”) as belonging to such customer and not  
24           as the property of such person; and

1           (2) take such steps as are appropriate to pro-  
2       tect the payment stablecoins, private keys, cash, and  
3       other property of a customer from the claims of  
4       creditors of the person.

5       On page 98, line 8, insert “provided such treatment  
6       is consistent with Federal law” after “deposit”.

7       On page 99, strike lines 6 through 18 and insert the  
8       following:

9       (a) IN GENERAL.—Subject to section 507(e) of title  
10     11, United States Code, as added by subsection (d), in  
11     any insolvency proceeding of a permitted payment  
12     stablecoin issuer under Federal or State law, including any  
13     proceeding under that title and any insolvency proceeding  
14     administered by a State payment stablecoin regulator with  
15     respect to a permitted payment stablecoin issuer—

16           (1) the claim of a person holding payment  
17       stablecoins issued by the permitted payment  
18       stablecoin issuer shall have priority over the claims  
19       of the permitted payment stablecoin issuer and any  
20       other creditor of the permitted payment stablecoin  
21       issuer, with respect to required payment stablecoin  
22       reserves;

1           (2) notwithstanding any other provision of law,  
2           including the definition of “claim” under section  
3           101(5) of title 11, United States Code, any person  
4           holding a payment stablecoin issued by the per-  
5           mitted payment stablecoin issuer shall be deemed to  
6           hold a claim; and

7           (3) the priority under paragraph (1) shall not  
8           apply to claims other than those arising directly  
9           from the holding of payment stablecoins or required  
10          payment stablecoin reserves maintained by the per-  
11          mitted payment stablecoin issuer.

12          On page 101, lines 16 and 17, strike “of a person  
13          holding payment stablecoin” and insert “arising from a  
14          person’s holding of a payment stablecoin”.

15          On page 103, between lines 7 and 8, insert the fol-  
16          lowing:

17          (h) STUDY BY PRIMARY FEDERAL PAYMENT  
18          STABLECOIN REGULATORS.—

19               (1) STUDY REQUIRED.—The primary Federal  
20          payment stablecoin regulators shall perform a study  
21          of the potential insolvency proceedings of permitted  
22          payment stablecoin issuers, including an examination  
23          of—

1 (A) existing gaps in the bankruptcy laws  
2 and rules for permitted payment stablecoin  
3 issuers;

4 (B) the ability of payment stablecoin hold-  
5 ers to be paid out in full in the event a per-  
6 mitted payment stablecoin issuer is insolvent;  
7 and

8 (C) the utility of orderly insolvency admin-  
9 istration regimes and whether any additional  
10 authorities are needed to implement such re-  
11 gimes.

12 (2) REPORT.—Not later than 3 years after the  
13 date of enactment of this Act, the primary Federal  
14 payment stablecoin regulators shall submit to the  
15 Committee on Banking, Housing, and Urban Affairs  
16 of the Senate and the Committee on Financial Serv-  
17 ices of the House of Representatives a report that  
18 contains all findings of the study under paragraph  
19 (1), including any legislative recommendations.

20 On page 110, line 13, strike “8” and insert “10”.

21 On page 113, line 8, insert a period at the end.

1       On page 114, between lines 11 and 12, insert the fol-  
2       lowing:

3               (4) The foreign country in which the foreign  
4       payment stablecoin issuer is domiciled and regulated  
5       is not subject to comprehensive economic sanctions  
6       by the United States or in a jurisdiction that the  
7       Secretary of the Treasury has determined to be a ju-  
8       risdiction of primary money laundering concern.

9       On page 114, line 19, insert “Prior to such deter-  
10      mination taking effect, the Secretary of the Treasury shall  
11      publish in the Federal Register a justification for such de-  
12      termination, including how the foreign country’s regu-  
13      latory and supervisory regime is comparable to the re-  
14      quirements established under this Act, including the re-  
15      quirements under section 4(a). The Stablecoin Certifi-  
16      cation Review Committee shall have not less than 7 days’  
17      notice of a determination under this paragraph to reject  
18      such determination prior to publication in the Federal  
19      Register. Such rejection shall be published in the Federal  
20      Register.” after “section 4(a).”.

21      On page 115, line 13, insert “Prior to such rescission  
22      taking effect, the Secretary of the Treasury shall publish



1 in the Federal Register a justification for the rescission.”  
2 after “under this Act.”.

3 On page 118, line 22, insert “Prior to such rescission  
4 taking effect, the Comptroller shall publish in the Federal  
5 Register a justification for the rescission.” after “financial  
6 stability risk.”.

7 On page 119, strike lines 9 through 19 and insert  
8 the following:

9 (1) IN GENERAL.—The Secretary of the Treas-  
10 ury may create and implement reciprocal arrange-  
11 ments or other bilateral agreements between the  
12 United States and jurisdictions with payment  
13 stablecoin regulatory regimes that are comparable to  
14 the requirements established under this Act. The  
15 Secretary of the Treasury shall consider whether the  
16 jurisdiction’s requirements for payment stablecoin  
17 issuers include—

18 (A) similar requirements to those under  
19 section 4(a);

20 (B) adequate anti-money laundering and  
21 counter-financing of terrorism program and  
22 sanction compliance standards; and

1           (C) adequate supervisory and enforcement  
2           capacity to facilitate international transactions  
3           and interoperability with United States dollar-  
4           denominated payment stablecoins issued over-  
5           seas.

6           On page 119, between lines 19 and 20, insert the fol-  
7           lowing:

8           (2) PUBLICATION.—Not later than 90 days  
9           prior to the entry into force of any arrangement or  
10          agreement under paragraph (1), the Secretary of the  
11          Treasury shall publish the arrangement or agree-  
12          ment in the Federal Register.

13          On page 119, in line 20, strike “(2)” and insert  
14          “(3)”.