

# GENIUS Act

Sen. Bill Hagerty

Dollar-denominated payment stablecoins are digital assets pegged to the U.S. dollar. They can improve transaction efficiency, expand financial inclusion, and strengthen the dollar's supremacy as the world reserve currency by driving demand for U.S. Treasuries. The previous administration's hostility toward crypto and refusal to provide clear regulatory guidelines have severely stifled stablecoin innovation.

The GENIUS (Guiding and Establishing National Innovation in U.S. Stablecoins) Act opens a new frontier for crypto innovation by finally establishing a clear federal regulatory framework that preserves a strong state pathway to stablecoin issuance.

## Overview

- Defines a payment stablecoin as a digital asset used for payment or settlement that is pegged to a fixed monetary value.
- Establishes clear procedures for institutions seeking licenses to issue stablecoins.
- Implements reserve requirements and light-touch, tailored regulatory standards for stablecoin issuers.
- For issuers of more than \$10 billion of stablecoins, applies the Federal Reserve's regulatory framework to depository institutions and the Office of the Comptroller of the Currency's framework for nonbank issuers.
- Allows for state regulation of issuers under \$10 billion in market capitalization, and provides a waiver process for issuers exceeding the threshold to remain state-regulated.
- Establishes supervisory, examination, and enforcement regimes with clear limitations.