

## Catawba Digital Economic Zone Issues Proposed Banking And Financial Services Code And Framework For Regulating Stablecoins

For Immediate Release

Rock Hill, South Carolina - The Catawba Digital Economic Zone, the first jurisdiction in the US designed for web3 and fintech companies, has issued a Notice of Proposed Rules on stablecoins, bank chartering, and bank regulations.

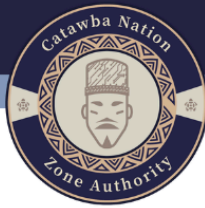
This Notice has been released after integrating public comments from the [Zone's Advanced Notice of Proposed Rulemaking](#) in September. This Notice of Proposed Rule gives the public a final opportunity to comment on the draft [Banking and Financial Services Code](#) and [Stablecoin Regulation](#) before a vote by the Zone Authority Commissioners. We welcome *feedback on the draft Banking and Stablecoin regulation via forms ([Banking Code](#) & [Stablecoins](#)) on the CDEZ's [Zone Authority website](#), [email](#), or on [the CDEZ Discord server](#). The comment period ends on November 26th, 2022.*

The regulations are comprised of two separate documents: a banking code, which allows for the Zone Authority to charter banks and regulate them, and a framework for the regulation of stablecoins. The banking code allows a large range of regulated institutions, including trusts, Special Depository Institutions, money transmitters, and full scale banking corporations. The stablecoin framework complements the draft banking code, and specifies the regulated entities that are permitted to issue stablecoins. This framework is guided by financial stability and consumer protection, requiring that all stablecoins be issued by regulated entities, holding a 1-1 ratio of assets to stablecoin tokens, and limiting those assets only to high-quality, liquid ones.

The draft banking code is based on three state level banking codes, South Dakota, Wyoming, and North Dakota. Wyoming was selected because of its provisions allowing banks to conduct digital assets business. Unlike Wyoming, this ability is not limited solely to special depository institutions. The framework takes most of its inspiration from South Dakota, which is the most widely used banking framework in the United States, holding the most assets under management of any State. The code also ensures that each bank is held accountable for the highest standards of compliance, including in money laundering, financial stability, and consumer protection.

The proposed banking regulation draws on North Dakota for its implementation of a Public Bank. Like North Dakota, the Catawba Public bank is a "bank of banks", facilitating payment rails and regulation of banks chartered within the Zone. The Banking Code also provides support in engaging key financial and regulatory stakeholders.





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### **ABOUT THE CATAWBA DIGITAL ECONOMIC ZONE'S ZONE AUTHORITY**

*The Catawba Digital Economic Zone is the first jurisdiction created for Fintech and Digital Asset growth in the United States. Located in the Carolinas, the Zone has world-class laws optimized for digital service industries, finance, and blockchain. It is in the territory and under the jurisdiction of the Catawba Indian Nation of South and North Carolina.*

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