

118TH CONGRESS  
1ST SESSION

# H. R. 5745

To provide for the regulation of digital assets, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 2023

Mr. BEYER introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Agriculture, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide for the regulation of digital assets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Digital Asset Market  
5 Structure and Investor Protection Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—DIGITAL ASSET SECURITIES UNDER THE FEDERAL  
SECURITIES LAWS

Subtitle A—Securities Exchange Act of 1934

- Sec. 101. Definition of digital asset security.
- Sec. 102. Delayed registration for digital asset securities.
- Sec. 103. Deseuritization of digital asset securities.
- Sec. 104. Joint SEC and CFTC rulemaking on major digital asset classification.
- Sec. 105. Conforming amendments.

Subtitle B—Other Securities Laws

- Sec. 111. Securities Act of 1933.
- Sec. 112. Investment Advisers Act of 1940.
- Sec. 113. Investment Company Act of 1940.
- Sec. 114. Securities Investor Protection Act of 1970.

TITLE II—TREATMENT OF DIGITAL ASSETS UNDER THE  
COMMODITY EXCHANGE ACT

- Sec. 201. Definitions.
- Sec. 202. Actual delivery of digital assets.
- Sec. 203. Optional Federal charter for digital asset trading and clearing.
- Sec. 204. Reporting requirements.
- Sec. 205. CTA and CPOs: Commodity Interests.
- Sec. 206. Swap data repositories and digital asset trade repositories.

TITLE III—DIGITAL FEDERAL RESERVE NOTES, LEGAL TENDER  
STATUS, THE REGULATION OF DIGITAL ASSET FIAT-BASED  
STABLECOINS, AND FEDERAL DEPOSIT AND SHARE INSUR-  
ANCE FOR DIGITAL ASSETS

Subtitle A—Digital Federal Reserve Notes

- Sec. 301. In general.
- Sec. 302. Digital asset legal tender status.

Subtitle B—Regulation of Digital Asset Fiat-Based Stablecoins

- Sec. 311. Department of Treasury regulation of digital asset fiat-based stablecoins.
- Sec. 312. Conforming amendment.

Subtitle C—Federal Deposit and Share Insurance for Digital Assets

- Sec. 321. Digital asset not deposits for Federal deposit and share insurance.
- Sec. 322. Directed rulemaking FDIC and NCUA website disclosure on digital assets and insurance noncoverage.

TITLE IV—BANK SECRECY ACT

- Sec. 401. Bank Secrecy Act.
- Sec. 402. Anonymizing services, money mule, and anonymity-enhanced convertible virtual currencies.
- Sec. 403. Digital asset transaction actual delivery reporting.
- Sec. 404. Virtual digital asset service providers.

TITLE V—VARIOUS DIGITAL ASSET REPORTS

- Sec. 501. IRS report on digital asset ownership/taxes.

- Sec. 502. Report on ransomware and digital assets.  
 Sec. 503. Report on decentralized finance.  
 Sec. 504. Report on custody of digital assets and digital asset securities.  
 Sec. 505. Report on digital asset trading platforms.  
 Sec. 506. Report on false trade reporting, wash trading, and off-chain transaction on digital asset trading platforms.  
 Sec. 507. Relevant committees defined.

1 **TITLE I—DIGITAL ASSET SECURITIES UNDER THE FEDERAL SECURITIES LAWS**  
 2 **Subtitle A—Securities Exchange Act of 1934**

6 **SEC. 101. DEFINITION OF DIGITAL ASSET SECURITY.**

7 (a) DEFINITION OF SECURITY.—Section 3(a)(10) of  
 8 the Securities Exchange Act of 1934 (15 U.S.C.  
 9 78c(a)(10)) is amended—

10 (1) by inserting “digital asset security,” after  
 11 “investment contract,”; and

12 (2) by striking “; but shall not include cur-  
 13 rency” and inserting “; but shall not include any fiat  
 14 currency, commodity, digital asset,”.

15 (b) OTHER DEFINITIONS.—Section 3(a) of the Secu-  
 16 rities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amend-  
 17 ed—

18 (1) by transferring paragraph (79) so as to ap-  
 19 pear after paragraph (78);

20 (2) by redesignating the second paragraph (80)  
 21 as paragraph (81); and

22 (3) by adding at the end the following:

1 “(82) DIGITAL ASSET SECURITY.—

2 “(A) IN GENERAL.—The term ‘digital  
3 asset security’ means a digital asset that:

4 “(i) Provides the holder of the digital  
5 asset with any of the following rights:

6 “(I) Equity or debt interest in  
7 the issuer.

8 “(II) Right to profits, interest, or  
9 dividend payments from the issuer.

10 “(III) Voting rights in the major  
11 corporate actions (which shall not in-  
12 clude new block creations, hardforks,  
13 or protocol changes related to the dig-  
14 ital asset) of the issuer.

15 “(IV) Liquidation rights in the  
16 event of the issuer’s liquidation.

17 “(ii) In the case of an issuer with a  
18 service, goods, or platform that is not  
19 wholly operational at the time of issuing  
20 such digital asset, with respect to any  
21 fundraising or capital formation activity  
22 (including initial coin offerings) which is  
23 accomplished through the issuance of such  
24 a digital asset, issues such digital asset to  
25 a holder in return for money (including

1 other digital assets) to fund the develop-  
2 ment of the proposed service, goods, or  
3 platform of the issuer.

4 “(B) RULE RELATING TO DIGITAL AS-  
5 SETS.—The term ‘digital asset security’ does  
6 not include any digital asset other than the dig-  
7 ital assets described in subparagraph (A). Any  
8 digital asset not described in subparagraph (A)  
9 shall be considered to be, and regulated as, a  
10 commodity under the Commodity Exchange Act  
11 (7 U.S.C. 1a et seq.).”.

12 **SEC. 102. DELAYED REGISTRATION FOR DIGITAL ASSET SE-**  
13 **CURITIES.**

14 Section 12(g)(1) of the Securities Exchange Act of  
15 1934 (15 U.S.C. 78l(g)(1)) is amended—

16 (1) in subparagraph (A)(ii), by striking “and”  
17 at the end;

18 (2) in subparagraph (B), by inserting “and”  
19 after “persons,”; and

20 (3) by inserting after subparagraph (B) the fol-  
21 lowing:

22 “(C) in the case of an issuer of a digital asset  
23 security, not later than 120 days after the last day  
24 of the third fiscal year on which the issuer first has  
25 total assets exceeding \$10,000,000 and a class of eq-

1 uity security (other than an exempted security) held  
2 of record by 2,000 or more persons,”.

3 **SEC. 103. DESECURITIZATION OF DIGITAL ASSET SECURI-**  
4 **TIES.**

5 Section 12(g) of the Securities Exchange Act of 1934  
6 (15 U.S.C. 78l(g)) is amended by adding at the end the  
7 following:

8 “(7) DESECURITIZATION OF DIGITAL  
9 ASSET SECURITIES.—Registration of any class  
10 of digital asset security pursuant to this sub-  
11 section or status as a security (or both) shall be  
12 terminated ninety days, or such shorter period  
13 as the Commission may determine, after the  
14 issuer files a desecuritization certification with  
15 the Commission. The desecuritization certifi-  
16 cation shall demonstrate that the issuer’s serv-  
17 ice, goods, or platform are fully operational and  
18 that the digital asset does not provide holders  
19 of such digital assets with any of the rights  
20 specified in subclauses (I) through (IV) of sec-  
21 tion 3(a)(82)(A). The Commission shall after  
22 notice and opportunity for hearing deny termi-  
23 nation of registration or change in status as a  
24 security (or both) if it finds that the  
25 desecuritization certification is untrue. Termi-

1 nation of registration or change in status (or  
2 both) shall be deferred pending final determina-  
3 tion on the question of denial. A digital asset  
4 security so desecuritized shall be considered to  
5 be, and regulated as, a commodity under the  
6 Commodity Exchange Act (7 U.S.C. 1a et  
7 seq.).”.

8 **SEC. 104. JOINT SEC AND CFTC RULEMAKING ON MAJOR**  
9 **DIGITAL ASSET CLASSIFICATION.**

10 The Securities Exchange Act of 1934 is amended by  
11 adding at the end the following:

12 **“SEC. 105. JOINT SEC AND CFTC RULEMAKING ON MAJOR**  
13 **DIGITAL ASSET CLASSIFICATION.**

14 “(a) IN GENERAL.—Not later than 150 days after  
15 the date of the enactment of this section, the Commission  
16 and the Commodity Futures Trading Commission shall  
17 jointly publish, for purposes of a 60-day public comment  
18 period, a proposed rulemaking that classifies each of the  
19 major digital assets by (i) highest market capitalization  
20 and (ii) highest daily trading volume as either—

21 “(1) a digital asset; or

22 “(2) a digital asset security.

23 “(b) FINAL RULE.—Not later than 270 days after  
24 the date of the enactment of this Act, the Commission and  
25 the Commodity Futures Trading Commission shall jointly

1 publish a final rule that classifies each of the major digital  
2 assets by (i) highest market capitalization and (ii) highest  
3 daily average trading volume as—

4 “(1) a digital asset; or

5 “(2) a digital asset security.

6 “(c) MAJOR DIGITAL ASSETS DEFINED.—In this  
7 subsection, the term ‘major digital assets’ means the top  
8 25 digital assets (including digital asset securities) by (i)  
9 the highest market capitalization and (ii) the highest daily  
10 trading volume as of the date of the enactment of the Dig-  
11 ital Asset Market Structure and Investor Protection Act  
12 as reported on an appropriate publicly available website  
13 (as jointly determined by the Commission and the Com-  
14 modity Futures Trading Commission) that publishes such  
15 information, such as CoinMarketCap.”.

16 **SEC. 105. CONFORMING AMENDMENTS.**

17 (a) DEFINITION OF BROKER.—Section 3(a)(4)(A) of  
18 the Securities Exchange Act of 1934 (15 U.S.C. 78c(a))  
19 is amended by inserting “including a digital asset security,  
20 but not digital assets,” after “security”.

21 (b) SECURITIES EXCHANGE ACT DEFINITIONS.—  
22 Section 3(a) of the Securities Exchange Act of 1934 (15  
23 U.S.C. 78c(a)), as amended by section 101, is further  
24 amended by adding at the end the following:



1           “(83) COMMODITY EXCHANGE ACT TERMS.—  
2           The terms, ‘commodity’, ‘digital asset’, ‘digital asset  
3           repository of transactions’, and ‘virtual currency’  
4           have the meanings given such terms, respectively, in  
5           section 1a of the Commodity Exchange Act (7  
6           U.S.C. 1a).”.

## 7   **Subtitle B—Other Securities Laws**

### 8   **SEC. 111. SECURITIES ACT OF 1933.**

9           (a) DEFINITION OF SECURITY.—Section 2(a)(1) of  
10 the Securities Act of 1933 (15 U.S.C. 77b(a)(1)) is  
11 amended—

12           (1) by inserting “digital asset security,” after  
13           “investment contract,”; and

14           (2) by striking the period at the end and insert-  
15           ing “; but does not include any fiat currency, com-  
16           modity, digital asset, or any note, draft, bill of ex-  
17           change, or banker’s acceptance which has a maturity  
18           at the time of issuance of not exceeding nine months  
19           exclusive of days of grace or any renewal thereof the  
20           maturity of which is likewise limited.”.

21           (b) OTHER DEFINITIONS.—Section 2(a) of the Secu-  
22 rities Act of 1933 (15 U.S.C. 77b(a)) is amended by add-  
23 ing the following:

24           “(20) The terms ‘commodity’, ‘digital asset’,  
25           ‘digital asset repository of transactions’, and ‘virtual

1 currency' have the meanings given such terms, re-  
2 spectively, in section 1a of the Commodity Exchange  
3 Act (7 U.S.C. 1a).

4 “(21) The term ‘digital asset security’ has the  
5 meaning given such term in section 3(a) of the Secu-  
6 rities Exchange Act of 1934 (15 U.S.C. 78c(a)).”.

7 **SEC. 112. INVESTMENT ADVISERS ACT OF 1940.**

8 (a) DEFINITION OF SECURITY.—Section 202(a)(18)  
9 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–  
10 2(a)(18)) is amended—

11 (1) by inserting “digital asset security,” after  
12 “investment contract,”; and

13 (2) by striking the period at the end and insert-  
14 ing “; but does not include any fiat currency, com-  
15 modity, digital asset, or any note, draft, bill of ex-  
16 change, or banker’s acceptance which has a maturity  
17 at the time of issuance of not exceeding nine months  
18 exclusive of days of grace or any renewal thereof the  
19 maturity of which is likewise limited.”.

20 (b) DEFINITION OF DIGITAL ASSET SECURITY.—  
21 Section 202(a) of the Investment Advisers Act of (15  
22 U.S.C. 80b–2(a)) is amended by adding at the end the  
23 following:

1           “(31) The term ‘digital asset security’ has the  
2           meaning given such term section 3(a) of the Securi-  
3           ties Exchange Act of 1934 (15 U.S.C. 78c(a)).”.

4           (c) OTHER DEFINITIONS.—The second paragraph  
5 (29) of section 202(a) of the Investment Advisers Act of  
6 1940 (15 U.S.C. 80b–2(a)(29)) is amended by inserting  
7 “‘commodity’, ‘digital asset’, ‘digital asset repository of  
8 transactions’, ‘virtual currency’”, after “‘commodity trad-  
9 ing advisor’,”.

10 **SEC. 113. INVESTMENT COMPANY ACT OF 1940.**

11           (a) DEFINITION OF SECURITY.—Section 2(a)(36) of  
12 the Investment Company Act of 1940 (15 U.S.C. 80b–  
13 2(a)(36) is amended—

14                 (1) by inserting “digital asset security,” after  
15                 “investment contract,”; and

16                 (2) by striking the period at the end and insert-  
17                 ing “; but does not include any fiat currency, com-  
18                 modity, digital asset, or any note, draft, bill of ex-  
19                 change, or banker’s acceptance which has a maturity  
20                 at the time of issuance of not exceeding nine months  
21                 exclusive of days of grace or any renewal thereof the  
22                 maturity of which is likewise limited.”.

23           (b) COMMODITY EXCHANGE ACT TERMS.—Section  
24 2(a)(54) of the Investment Company Act of 1940 (15  
25 U.S.C. 80a–2(a)) is amended by striking “and ‘swap exe-

1 cution facility’ ” and inserting “ ‘swap execution facility’,  
2 ‘commodity’, ‘digital asset’, ‘digital asset repository of  
3 transactions’, and ‘virtual currency’ ”.

4 (c) DEFINITION OF DIGITAL ASSET SECURITY.—Sec-  
5 tion 2(a) of the Investment Company Act of 1940 (15  
6 U.S.C. 80a–2(a)) is amended by adding at the end the  
7 following:

8 “(55) The term ‘digital asset security’ has the  
9 meaning given such term in section 3(a) of the Secu-  
10 rities Exchange Act of 1934 (15 U.S.C. 78c(a)).”.

11 **SEC. 114. SECURITIES INVESTOR PROTECTION ACT OF 1970.**

12 (a) IN GENERAL.—

13 (1) DEFINITION OF SECURITY.—Section 16(14)  
14 of the Securities Investor Protection Act of 1970 (15  
15 U.S.C. 78lll(14)) is amended—

16 (A) by inserting “, digital asset security,”  
17 after “investment contract”;

18 (B) by inserting “, digital asset security,”  
19 after “if such investment contract”; and

20 (C) in the last sentence, by inserting “dig-  
21 ital asset,” after “commodity,”.

22 (2) OTHER DEFINITIONS.—Section 16 of the  
23 Securities Investor Protection Act of 1970 (15  
24 U.S.C. 78lll) is amended by adding the following:

1           “(15) COMMODITY EXCHANGE ACT TERMS.—  
2           The terms ‘commodity’, ‘digital asset’, ‘digital asset  
3           repository of transactions’, and ‘virtual currency’  
4           have the meanings given such terms, respectively, in  
5           section 1a of the Commodity Exchange Act (7  
6           U.S.C. 1a).

7           “(16) DIGITAL ASSET SECURITY.—The term  
8           ‘digital asset security’ has the meaning given such  
9           term in section 3(a) of the Securities Exchange Act  
10          of 1934 (15 U.S.C. 78c(a)).”.

11          (b) SIPC NOTICE.—Not later than 90 days after the  
12          date of the enactment of this Act, the Securities Investor  
13          Protection Corporation shall make publicly available on  
14          the website of the Corporation a notice—

15                 (1) regarding the status of digital assets and  
16                 digital asset securities and how such status impacts  
17                 Securities Investor Protection Corporation insurance  
18                 coverage; and

19                 (2) that digital assets are not deposits and dig-  
20                 ital asset securities are in almost all cases not secu-  
21                 rities and neither would be covered by Securities In-  
22                 vestor Protection Corporation insurance, regardless  
23                 of whether—

1 (A) an insured bank, savings association,  
 2 or credit union holds the digital assets or digital  
 3 asset securities; or

4 (B) a broker or dealer (as defined in sec-  
 5 tion 3(a) of the Securities Exchange Act of  
 6 1934 (15 U.S.C. 78e(a))) holds the digital as-  
 7 sets or digital asset securities.

8 **TITLE II—TREATMENT OF DIG-**  
 9 **ITAL ASSETS UNDER THE**  
 10 **COMMODITY EXCHANGE ACT**

11 **SEC. 201. DEFINITIONS.**

12 (a) DEFINITION OF COMMODITY.—Section 1a(9) of  
 13 the Commodity Exchange Act (7 U.S.C. 1a(9)) is amend-  
 14 ed by adding “digital asset (including Bitcoin, Ether, and  
 15 their hardforks),” after “livestock products,”.

16 (b) OTHER DEFINITIONS RELATING TO DIGITAL AS-  
 17 SETS.—Section 1a of the Commodity Exchange Act (7  
 18 U.S.C. 1a) is amended by adding at the end the following:

19 “(52) DIGITAL ASSET.—The term ‘digital  
 20 asset’—

21 “(A) means an asset—

22 “(i) that is created electronically or  
 23 digitally through software code;

24 “(ii) that is programmed with rules  
 25 that—

1           “(I) govern the creation, supply,  
2           ownership, use, and transfer of such  
3           digital asset; and

4           “(II) are designed to resist modi-  
5           fication or tampering by any single  
6           person or persons under common con-  
7           trol;

8           “(iii) that has a transaction history  
9           that—

10           “(I) is recorded on a—

11           “(aa) distributed digital  
12           ledger; or

13           “(bb) digital data structure  
14           in which consensus is achieved  
15           through a mathematically  
16           verifiable process;

17           “(II) is updated as soon as pos-  
18           sible in accordance with the digital  
19           asset programming rules related to  
20           transactions and ownership; and

21           “(III) after consensus is reached,  
22           is designed to prevent modification or  
23           tampering with the ownership or  
24           transaction history by any single per-  
25           son or persons under common control;

1           “(iv) that is capable of being trans-  
2           ferred between persons through a decen-  
3           tralized method without an intermediate  
4           custodian; and

5           “(B) is a broad term which includes sev-  
6           eral other terms used to describe digital assets  
7           by market participants and regulators such as  
8           ‘virtual asset’, ‘virtual currency’, and ‘convert-  
9           ible virtual currency’ among others.

10          “(53) DIGITAL ASSET SECURITY.—The term  
11          ‘digital asset security’ has the meaning given the  
12          term in section 3(a) of the Securities Exchange Act  
13          of 1934 (15 U.S.C. 78c(a)).

14          “(54) DIGITAL ASSET REPOSITORY OF TRANS-  
15          ACTIONS.—The term ‘digital asset repository of  
16          transactions’ or ‘DART’ means any person that col-  
17          lects and maintains information or records with re-  
18          spect to transactions or positions in, or the terms  
19          and conditions of, contracts of sale of digital assets  
20          in interstate commerce entered into by third parties  
21          (both on chain public distributed ledger transactions  
22          as well as off-chain transactions) for the purpose of  
23          providing a centralized recordkeeping facility for any  
24          digital asset, but does not include a private or public  
25          distributed ledger or the operator of either such



1 ledger unless such private or public distributed ledg-  
2 er or operator seeks to aggregate or include ‘off-  
3 chain’ transactions as well.

4 “(55) DISTRIBUTED LEDGER TECHNOLOGY.—  
5 The term ‘distributed ledger technology,’ means a  
6 decentralized peer-to-peer network of computers that  
7 operate on open-source software which validate and  
8 irrevocably log digital asset ownership and trans-  
9 actions on a permanent public distributed ledger  
10 which is visible to the entire network.

11 “(56) VIRTUAL CURRENCY.—The term ‘virtual  
12 currency’ means a digital asset which is a digital  
13 representation of value that does not have legal ten-  
14 der status and that functions as a medium of ex-  
15 change, a unit of account, or a store of value.”.

16 (c) DEFINITION OF COMMODITY TRADING ADVI-  
17 SOR.—Section 1(a)(12)(A)(i) of the Commodity Exchange  
18 Act (7 U.S.C. 1(a)(12)(A)(i) is amended by adding “com-  
19 modity interests, including any—” after “advisability of  
20 trading in”.

21 (d) DEFINITION OF FUTURES COMMISSION MER-  
22 CHANT.—Section 1a(28)(A)(i)(I)(aa) Commodity Ex-  
23 change Act (7 U.S.C. 1a(9)) is amended—

24 (1) in subitem (EE), by striking “or” at the  
25 end; and

1 (2) by adding at the end the following:

2 “(GG) any contract of  
3 sale of a digital asset in  
4 interstate commerce, but not  
5 a digital asset security; or”.

6 (e) DEFINITION OF INTRODUCING BROKER.—Section  
7 1a(31)(A)(i)(I) of the Commodity Exchange Act (7 U.S.C.  
8 1a(31)) is amended—

9 (1) in item (cc) by striking “or” at the end;

10 (2) in item (dd), by striking “and” at the end  
11 and inserting “or”; and

12 (3) by adding at the end the following:

13 “(ee) any contract of sale of  
14 a digital asset in interstate com-  
15 merce, but not a digital asset se-  
16 curity; and”.

17 **SEC. 202. ACTUAL DELIVERY OF DIGITAL ASSETS.**

18 Section 2(c)(2)(D)(ii)(III) of the Commodity Ex-  
19 change Act (7 U.S.C. 2(c)(2)(D)(ii)(III)) is amended—

20 (1) in item (aa)—

21 (A) by striking “other longer” and insert-  
22 ing “shorter”; and

23 (B) by striking “; or” and inserting a  
24 semicolon; and

25 (2) by adding at the end the following:

1           “(cc) with respect to digital  
2 assets, results in actual delivery  
3 (including transfer of control  
4 over private keys) not later than  
5 24 hours after the transaction is  
6 entered into and such delivery is  
7 accomplished by either—

8           “(AA) recording the  
9 transaction on the public  
10 distributed ledger for the  
11 digital asset; or

12           “(BB) with respect to  
13 digital asset transactions  
14 which are not recorded on a  
15 public distributed ledger for  
16 the digital asset, reporting  
17 the transaction to a CFTC  
18 registered digital asset re-  
19 pository of transactions; or”.

20 **SEC. 203. OPTIONAL FEDERAL CHARTER FOR DIGITAL**  
21 **ASSET TRADING AND CLEARING.**

22           Section 2(a)(1) of the Commodity Exchange Act (7  
23 U.S.C. 2(a)(1)) is amended by adding at the end the fol-  
24 lowing:

1           “(J) OPTIONAL FEDERAL CHARTER FOR  
2           DIGITAL ASSET TRADING AND CLEARING.—Not-  
3           withstanding any other provision of law, a reg-  
4           istered entity may list, trade, or clear a contract  
5           of sale of a commodity in interstate commerce  
6           (including digital assets). The registered entity  
7           shall apply all the core principles and related  
8           regulations, including Bank Secrecy Act, anti-  
9           money laundering and know your customer re-  
10          quirements, to such contracts. The Commission  
11          shall have exclusive jurisdiction under this para-  
12          graph over any agreement, contract, or trans-  
13          action involving a contract of sale of a com-  
14          modity in interstate commerce (including any  
15          digital asset) which is listed, traded, or cleared  
16          on or through a registered entity and, provided  
17          further, such contracts shall be treated for reg-  
18          ulatory and enforcement purposes as if they  
19          were contracts of sale of a commodity for future  
20          delivery.”.

21 **SEC. 204. REPORTING OF DIGITAL ASSET TRANSACTIONS**  
22 **TO DART.**

23          A digital asset trading platform shall report to the  
24          digital asset repository of transactions each contract of  
25          sale of a digital asset in interstate commerce transaction

1 executed on such digital asset trading platform, not later  
2 than 24 hours after such trade has executed.

3 **SEC. 205. CTA AND CPOS: COMMODITY INTERESTS.**

4 Section 4m (3)(C) of the Commodity Exchange Act  
5 (7 U.S.C. 6m(3)(C)) is amended by replacing the word  
6 “paragraph” with “Act” and striking the word “physical”.

7 **SEC. 206. SWAP DATA REPOSITORIES AND DIGITAL ASSET**  
8 **TRADE REPOSITORIES.**

9 Section 21 of the Commodity Exchange Act (7 U.S.C.  
10 24a) is amended to read as follows:

11 **“SEC. 21. SWAP DATA REPOSITORIES AND DIGITAL ASSET**  
12 **TRADE REPOSITORIES.**

13 “(a) REGISTRATION REQUIREMENT.—

14 “(1) REQUIREMENT; AUTHORITY OF DERIVA-  
15 TIVES CLEARING ORGANIZATION.—

16 “(A) IN GENERAL.—It shall be unlawful  
17 for any person, unless registered with the Com-  
18 mission, directly or indirectly to make use of  
19 the mails or any means or instrumentality of  
20 interstate commerce to perform the functions of  
21 a swap data repository or a digital asset reposi-  
22 tory of transactions.

23 “(B) REGISTRATION OF DERIVATIVES  
24 CLEARING ORGANIZATIONS.—A derivatives

1 clearing organization may register as a swap  
2 data repository.

3 “(2) INSPECTION AND EXAMINATION.—Each  
4 registered swap data repository and digital asset re-  
5 pository of transactions shall be subject to inspection  
6 and examination by any representative of the Com-  
7 mission.

8 “(3) COMPLIANCE WITH CORE PRINCIPLES.—

9 “(A) IN GENERAL.—To be registered, and  
10 maintain registration, as a swap data repository  
11 or a digital asset repository of transactions, the  
12 swap data repository or digital asset repository  
13 of transactions shall comply with—

14 “(i) the requirements and core prin-  
15 ciples described in this section; and

16 “(ii) any requirement that the Com-  
17 mission may impose by rule or regulation  
18 pursuant to section 8a(5).

19 “(B) REASONABLE DISCRETION OF REPOS-  
20 ITORY.—Unless otherwise determined by the  
21 Commission by rule or regulation, a swap data  
22 repository or a digital asset repository of trans-  
23 actions described in subparagraph (A) shall  
24 have reasonable discretion in establishing the  
25 manner in which the swap data repository or

1           the digital asset repository of transactions com-  
2           plies with the core principles described in this  
3           section.

4           “(b) STANDARD SETTING.—

5           “(1) DATA IDENTIFICATION.—

6           “(A) IN GENERAL.—In accordance with  
7           subparagraph (B), the Commission shall pre-  
8           scribe standards that specify the data elements  
9           for each swap or digital asset that shall be col-  
10          lected and maintained by each registered swap  
11          data repository or digital asset repository of  
12          transactions, respectively.

13          “(B) REQUIREMENT.—In carrying out  
14          subparagraph (A), the Commission shall pre-  
15          scribe consistent data element standards appli-  
16          cable to registered entities and reporting  
17          counterparties.

18          “(2) DATA COLLECTION AND MAINTENANCE.—

19          The Commission shall prescribe data collection and  
20          data maintenance standards for swap data reposi-  
21          tories and digital asset trade repositories.

22          “(3) COMPARABILITY.—The standards pre-  
23          scribed by the Commission under this subsection  
24          shall be comparable to the data standards imposed  
25          by the Commission on derivatives clearing organiza-

1 tions in connection with the clearing of swaps or dig-  
2 ital assets, as appropriate.

3 “(c) DUTIES.—A swap data repository or a digital  
4 asset repository of transactions shall—

5 “(1) accept data prescribed by the Commission  
6 for each swap or digital asset transaction under sub-  
7 section (b), respectively;

8 “(2) confirm with both counterparties to the  
9 swap or the digital asset transaction the accuracy of  
10 the data that was submitted;

11 “(3) maintain the data described in paragraph  
12 (1) in such form, in such manner, and for such pe-  
13 riod as may be required by the Commission;

14 “(4)(A) provide direct electronic access to the  
15 Commission (or any designee of the Commission, in-  
16 cluding another registered entity); and

17 “(B) provide the information described in para-  
18 graph (1) in such form and at such frequency as the  
19 Commission may require to comply with the public  
20 reporting requirements contained in section  
21 2(a)(13);

22 “(5) at the direction of the Commission, estab-  
23 lish automated systems for monitoring, screening,  
24 and analyzing swap or digital asset data, including



1 compliance and frequency of end user clearing ex-  
2 emption claims by individual and affiliated entities;

3 “(6) maintain the privacy of any and all swap  
4 or digital asset transaction information that the  
5 swap data repository or digital asset repository of  
6 transactions, respectively, receives from a swap deal-  
7 er, counterparty, or any other registered entity;

8 “(7) on a confidential basis pursuant to section  
9 8, upon request, and after notifying the Commission  
10 of the request, make available swap or digital asset  
11 data obtained by the swap data repository or digital  
12 asset repository of transactions, respectively, includ-  
13 ing individual counterparty trade and position data,  
14 to—

15 “(A) each appropriate prudential regulator;

16 “(B) the Financial Stability Oversight  
17 Council;

18 “(C) the Securities and Exchange Commis-  
19 sion;

20 “(D) the Department of Justice; and

21 “(E) any other person that the Commis-  
22 sion determines to be appropriate, including—

23 “(i) foreign financial supervisors (in-  
24 cluding foreign futures authorities);

25 “(ii) foreign central banks;

1 “(iii) foreign ministries; and

2 “(iv) other foreign authorities; and

3 “(8) establish and maintain emergency proce-  
4 dures, backup facilities, and a plan for disaster re-  
5 covery that allows timely recovery and resumption of  
6 operations and the fulfillment of the responsibilities  
7 and obligations of the organization.

8 “(d) CONFIDENTIALITY AGREEMENT.—Before the  
9 swap data repository or digital asset repository of trans-  
10 actions may share information with any entity described  
11 in subsection (c)(7), the swap data repository or digital  
12 asset repository of transactions shall receive a written  
13 agreement from each entity stating that the entity shall  
14 abide by the confidentiality requirements described in sec-  
15 tion 12 of this title relating to information on swap or  
16 digital asset transactions, respectively, that is provided.

17 “(e) DESIGNATION OF CHIEF COMPLIANCE OFFI-  
18 CER.—

19 “(1) IN GENERAL.—Each swap data repository  
20 or digital asset repository of transactions shall des-  
21 ignate an individual to serve as a chief compliance  
22 officer.

23 “(2) DUTIES.—The chief compliance officer  
24 shall—

1           “(A) report directly to the board or to the  
2 senior officer of the swap data repository or  
3 digital asset repository of transactions;

4           “(B) review the compliance of the swap  
5 data repository or digital asset repository of  
6 transactions with respect to requirements and  
7 core principles described in this section;

8           “(C) in consultation with the board of the  
9 swap data repository or digital asset repository  
10 of transactions, a body performing a function  
11 similar to the board of the swap data repository  
12 or digital asset repository of transactions, or  
13 senior officer of the swap data repository or  
14 digital asset repository of transactions resolve  
15 any conflicts of interest that may arise;

16           “(D) be responsible for administering each  
17 policy and procedure that is required to be es-  
18 tablished pursuant to this section;

19           “(E) ensure compliance with this Act (in-  
20 cluding regulations) relating to agreements,  
21 contracts, or transactions, including each rule  
22 prescribed by the Commission under this sec-  
23 tion;

1 “(F) establish procedures for the remedi-  
2 ation of noncompliance issues identified by the  
3 chief compliance officer through any—

4 “(i) compliance office review;

5 “(ii) look-back;

6 “(iii) internal or external audit find-  
7 ing;

8 “(iv) self-reported error; or

9 “(v) validated complaint; and

10 “(G) establish and follow appropriate pro-  
11 cedures for handling, management response, re-  
12 mediation, retesting, and closing of noncompli-  
13 ance issues.

14 “(3) ANNUAL REPORTS.—

15 “(A) IN GENERAL.—In accordance with  
16 rules prescribed by the Commission, the chief  
17 compliance officer shall annually prepare and  
18 sign a report that contains a description of—

19 “(i) the compliance of the swap data  
20 repository or the digital asset repository of  
21 transactions, as appropriate, of the chief  
22 compliance office with respect to this Act  
23 (including regulations); and

24 “(ii) each policy and procedure of the  
25 swap data repository or the digital asset

1 repository of transactions, as appropriate,  
2 of the chief compliance officer (including  
3 the code of ethics and conflict of interest  
4 policies of the swap data repository or the  
5 digital asset repository of transactions, as  
6 appropriate).

7 “(B) REQUIREMENTS.—A compliance re-  
8 port under subparagraph (A) shall—

9 “(i) accompany each appropriate fi-  
10 nancial report of the swap data repository  
11 or digital asset repository of transactions  
12 that is required to be furnished to the  
13 Commission pursuant to this section; and

14 “(ii) include a certification that, under  
15 penalty of law, the compliance report is ac-  
16 curate and complete.

17 “(f) CORE PRINCIPLES APPLICABLE TO SWAP DATA  
18 REPOSITORIES AND DIGITAL ASSET TRADE REPOSI-  
19 TORIES.—

20 “(1) ANTITRUST CONSIDERATIONS.—Unless  
21 necessary or appropriate to achieve the purposes of  
22 this Act, a swap data repository or digital asset re-  
23 pository of transactions shall not—

1           “(A) adopt any rule or take any actions  
2           that result in any unreasonable restraint of  
3           trade; or

4           “(B) impose any material anticompetitive  
5           burden on the trading, clearing, or reporting of  
6           transactions.

7           “(2) GOVERNANCE ARRANGEMENTS.—Each  
8           swap data repository or digital asset repository of  
9           transactions shall establish governance arrangements  
10          that are transparent—

11           “(A) to fulfill public interest requirements;  
12          and

13           “(B) to support the objectives of the Fed-  
14          eral Government, owners, and participants.

15          “(3) CONFLICTS OF INTEREST.—Each swap  
16          data repository or digital asset repository of trans-  
17          actions shall—

18           “(A) establish and enforce rules to mini-  
19          mize conflicts of interest in the decision making  
20          process of the swap data repository or the dig-  
21          ital asset repository of transactions; and

22           “(B) establish a process for resolving con-  
23          flicts of interest described in subparagraph (A).

24          “(4) ADDITIONAL DUTIES DEVELOPED BY THE  
25          COMMISSION.—

1           “(A) IN GENERAL.—The Commission may  
2           develop 1 or more additional duties applicable  
3           to swap data repositories or digital asset trade  
4           repositories.

5           “(B) CONSIDERATION OF EVOLVING  
6           STANDARDS.—In developing additional duties  
7           under subparagraph (A), the Commission may  
8           take into consideration any evolving standard of  
9           the United States or the international commu-  
10          nity.

11          “(C) ADDITIONAL DUTIES FOR COMMIS-  
12          SION DESIGNEES.—The Commission shall es-  
13          tablish additional duties for any registered swap  
14          data repository or digital asset repository of  
15          transactions in order to minimize conflicts of  
16          interest, protect data, ensure compliance, and  
17          guarantee safety and security of the swap data  
18          repository or digital asset repository of trans-  
19          actions.

20          “(g) REQUIRED REGISTRATION OF SWAP DATA RE-  
21          POSITORIES AND DIGITAL ASSET TRADE REPOSI-  
22          TORIES.—Any person that is required to be registered as  
23          a swap data repository or a digital asset repository of  
24          transactions under this section shall register with the  
25          Commission regardless of whether that person is also li-

1 censed as a bank, trust company, money services business,  
 2 or registered with the Securities and Exchange Commis-  
 3 sion as a security-based swap data repository, broker-deal-  
 4 er, qualified custodian, or transfer agent.

5 “(h) RULES.—The Commission shall adopt rules gov-  
 6 erning persons that are registered under this section.”.

7 **TITLE III—DIGITAL FEDERAL**  
 8 **RESERVE NOTES, LEGAL TEN-**  
 9 **DER STATUS, THE REGULA-**  
 10 **TION OF DIGITAL ASSET FIAT-**  
 11 **BASED STABLECOINS, AND**  
 12 **FEDERAL DEPOSIT AND**  
 13 **SHARE INSURANCE FOR DIG-**  
 14 **ITAL ASSETS**

15 **Subtitle A—Digital Federal Reserve**  
 16 **Notes**

17 **SEC. 301. IN GENERAL.**

18 (a) SUPERVISING AND REGULATING ISSUE AND RE-  
 19 TIREMENT OF FEDERAL RESERVE NOTES.—Section  
 20 11(d) of the Federal Reserve Act (12 U.S.C. 248(d)) is  
 21 amended to read as follows:

22 “(d) To supervise and regulate through the Secretary  
 23 of the Treasury the issue and retirement of Federal Re-  
 24 serve notes (both physical and digital), except for the can-  
 25 cellation and destruction, and accounting with respect to



1 such cancellation and destruction, of notes unfit for cir-  
2 culation, and to prescribe rules and regulations (including  
3 appropriate technology) under which such notes may be  
4 delivered by the Secretary of the Treasury to the Federal  
5 Reserve agents applying therefor.”.

6 (b) ISSUANCE TO RESERVE BANKS; NATURE OF OB-  
7 LIGATION; REDEMPTION.—Section 16 of the Federal Re-  
8 serve Act (12 U.S.C. 411) is amended by striking the first  
9 two sentences and inserting: “Federal reserve notes, to be  
10 issued at the discretion of the Board of Governors of the  
11 Federal Reserve System for the purpose of making ad-  
12 vances to Federal reserve banks through the Federal re-  
13 serve agents as hereinafter set forth and for no other pur-  
14 pose, are authorized. Notwithstanding any other provision  
15 of law, the Board of Governors of the Federal Reserve  
16 System is authorized to issue digital versions of Federal  
17 reserve notes in addition to current physical Federal re-  
18 serve notes. Further, the Board of Governors of the Fed-  
19 eral Reserve System, after consultation with the Secretary  
20 of the Treasury, is authorized to use distributed ledger  
21 technology for the creation, distribution and recordation  
22 of all transactions involving digital Federal reserve notes.  
23 The said notes shall be obligations of the United States  
24 and shall be considered legal tender and shall be receivable  
25 by all national and member banks and Federal reserve

1 banks and for all taxes, customs, and other public dues.  
2 They shall be redeemed in lawful money on demand at  
3 the Treasury Department of the United States, in the city  
4 of Washington, District of Columbia, or at any Federal  
5 Reserve bank.”.

6 **SEC. 302. DIGITAL ASSET LEGAL TENDER STATUS.**

7 Section 5103 of title 31, United States Code, is  
8 amended to read as follows:

9 **“§ 5103. Legal tender**

10 “United States coins and currency (including Federal  
11 reserve notes and circulating notes of Federal reserve  
12 banks and national banks) are legal tender for all debts,  
13 public charges, taxes, and dues. Foreign fiat currencies,  
14 digital assets, digital asset securities and foreign gold and  
15 silver coins are not legal tender.”.

16 **Subtitle B—Regulation of Digital**  
17 **Asset Fiat-Based Stablecoins**

18 **SEC. 311. DEPARTMENT OF TREASURY REGULATION OF**  
19 **DIGITAL ASSET FIAT-BASED STABLECOINS.**

20 Subchapter I of chapter 51 of subtitle IV of title 31,  
21 United States Code is amended by adding at the end the  
22 following:

1 **“§ 5104. Department of Treasury regulation of digital**  
2 **asset fiat-based stablecoins**

3 “(a) IN GENERAL.—Beginning on the date of the en-  
4 actment of this section, no person may issue, use, or per-  
5 mit to be used a digital asset fiat-based stablecoin that  
6 is not approved by the Secretary of the Treasury under  
7 subsection (b).

8 “(b) APPLICATIONS.—

9 “(1) IN GENERAL.—Not later than 90 days  
10 after the date of the enactment of this section, the  
11 Secretary of the Treasury shall establish an applica-  
12 tion process under which the Secretary may approve  
13 or disapprove a person wishing to issue a digital  
14 asset fiat-based stablecoin, under such terms and  
15 conditions as the Secretary determines necessary  
16 and appropriate.

17 “(2) CONSULTATION.—In carrying out para-  
18 graph (1), the Secretary of the Treasury shall, in  
19 considering applications for digital asset fiat-based  
20 stablecoins, consult with—

21 “(A) the Board of Governors of the Fed-  
22 eral Reserve System;

23 “(B) the Securities and Exchange Commis-  
24 sion;

25 “(C) the Commodity Futures Trading  
26 Commission; and

1           “(D) such other foreign central banks or  
2           foreign treasury departments or agencies as the  
3           Secretary of the Treasury determines appro-  
4           priate.

5           “(3) APPROVAL OR DISAPPROVAL; TERMS AND  
6           CONDITIONS CHANGES; TERMINATION.—

7           “(A) IN GENERAL.—Subject to subpara-  
8           graph (B), the Secretary of the Treasury may  
9           approve or disapprove an application by an  
10          issuer of a digital asset fiat-based stablecoin or  
11          may withdraw an approval or modify the terms  
12          and conditions of an approval previously issued  
13          under paragraph (1).

14          “(B) TIMING.—With respect to a with-  
15          drawal or modification of an approval under  
16          subparagraph (A), the Secretary of the Treas-  
17          ury shall notify the issuer at least 60 days be-  
18          fore such approval is so withdrawn or modified.

19          “(4) NO GRANDFATHERING OF EXISTING DIG-  
20          ITAL ASSET FIAT-BASED STABLECOINS.—The Sec-  
21          retary of the Treasury shall not grandfather the use  
22          of any digital asset fiat-based stablecoin. All digital  
23          asset fiat-based stablecoins, including digital asset  
24          fiat-based stablecoins existing on the date of the en-

1 actment of this section, shall apply to the Secretary  
2 of the Treasury under this section.

3 “(c) DIGITAL ASSET FIAT-BASED STABLECOIN DE-  
4 FINED.—In this section, the term ‘digital asset fiat-based  
5 stablecoin’ means a digital asset (as defined in section 1a  
6 of the Commodity Exchange Act (7 U.S.C. 1a)) that is,  
7 as determined by the Secretary of the Treasury, tied,  
8 pegged to, or collateralized substantially by—  
9 “(1) the United States dollar or;  
10 “(2) one or more fiat currencies.”.

11 **SEC. 312. CONFORMING AMENDMENT.**

12 The table of contents for subchapter I of chapter 51  
13 of subtitle IV of title 31, United States Code is amended  
14 by adding at the end the following:

“5104. Department of Treasury regulation of digital asset fiat-based  
stablecoins.”.

15 **Subtitle C—Federal Deposit and**  
16 **Share Insurance for Digital Assets**

17 **SEC. 321. DIGITAL ASSET NOT DEPOSITS FOR FEDERAL DE-**  
18 **POSIT AND SHARE INSURANCE.**

19 (a) FEDERAL DEPOSIT INSURANCE ACT.—Section  
20 3(l)(5) of the Federal Deposit Insurance Act (12 U.S.C.  
21 1813(l)(5)) is amended—

22 (1) in subparagraph (B), by striking “; and”  
23 and inserting a semicolon;

1           (2) in subparagraph (C), by striking the period  
2           at the end and inserting “; and”; and

3           (3) by adding at the end the following:

4                   “(D) any—

5                           “(i) digital asset (as defined in section  
6                           1a of the Commodity Exchange Act (7  
7                           U.S.C. 1a)); or

8                           “(ii) digital asset security (as defined  
9                           in section 3(a) of the Securities Exchange  
10                           Act of 1934 (15 U.S.C. 78c(a)).”.

11           (b) FEDERAL CREDIT UNION ACT.—Section 101(5)  
12 of the Federal Credit Union Act (12 U.S.C. 1752(5)) is  
13 amended by striking “State law” and inserting “State law:  
14 *Provided further:* That in no case may such terms include  
15 a digital asset (as defined in section 1a of the Commodity  
16 Exchange Act (7 U.S.C. 1a)) or digital asset security (as  
17 defined in section 3(a) of the Securities Exchange Act of  
18 1934 (15 U.S.C. 78c(a))”.

19 **SEC. 322. DIRECTED RULEMAKING FDIC AND NCUA**  
20 **WEBSITE DISCLOSURE ON DIGITAL ASSETS**  
21 **AND INSURANCE NONCOVERAGE.**

22           (a) FDIC AND NCUA NOTICES.—Not later than 90  
23 days after the date of the enactment of this Act, the Fed-  
24 eral Deposit Insurance Corporation and the National

1 Credit Union Administration shall each make publicly  
2 available on the website of such entity a notice—

3 (1) regarding the treatment of digital assets  
4 and digital asset securities;

5 (2) that digital assets and digital asset securi-  
6 ties are not “deposits” or “shares” and are not cov-  
7 ered by Federal deposit insurance (FDIC or  
8 NCUA), regardless of whether an insured bank, sav-  
9 ings association, or credit union holds the digital as-  
10 sets or digital assets securities; and

11 (3) such notice shall specifically address wheth-  
12 er the FDIC Nondeposit Investment Product  
13 (NDIP) Policy Statement and related disclosure ob-  
14 ligations or similar NCUA requirements apply to  
15 digital assets and digital asset securities.

16 (b) DIGITAL ASSET.—In this section, the term “dig-  
17 ital asset” has the meaning given the term in section 1a  
18 of the Commodity Exchange Act (7 U.S.C. 1a).

19 (c) DIGITAL ASSET SECURITY.—In this section, the  
20 term “digital asset security” has the meaning given the  
21 term in section 3(a) of the Securities Exchange Act of  
22 1934 (15 U.S.C. Sec. 78c(a)).

# 1   **TITLE IV—BANK SECRECY ACT**

## 2   **SEC. 401. BANK SECRECY ACT.**

3       (a) DEFINITION OF MONETARY INSTRUMENTS.—

4   Section 5312(a)(3)(B) of title 31, United States Code, is  
5   amended—

6           (1) by inserting “digital assets,” after “coins  
7       and currency of a foreign country,”; and

8           (2) by inserting after “passed on delivery”, the  
9       following: “, digital asset security as such term is  
10      defined in section 3(a) of the Securities Exchange  
11      Act of 1934”.

12       (b) DEFINITION OF DIGITAL ASSET AND VIRTUAL  
13   ASSET.—Section 5312(a) of title 31, United States Code,  
14   is amended by adding after paragraph (6) the following:

15           “(7) DIGITAL ASSET.—The term ‘digital asset’  
16       has the meaning given the term in section 1a of the  
17       Commodity Exchange Act (7 U.S.C. 1a).

18           “(8) VIRTUAL ASSET.—The term ‘virtual asset’  
19       means—

20           “(A) a digital representation of value that  
21       can be digitally traded, or transferred, and can  
22       be used for payment or investment purposes;  
23       and

24           “(B) a digital asset.”.



1 (c) DEFINITION OF VIRTUAL ASSET SERVICE PRO-  
2 VIDER.—Section 5312(a) of title 31, United States Code,  
3 is further amended by adding at the end the following:

4 “(9) VIRTUAL ASSET SERVICE PROVIDER.—The  
5 term ‘virtual asset service provider’—

6 “(A) means a person who—

7 “(i) exchanges between digital asset  
8 and fiat currencies;

9 “(ii) exchanges between digital assets;

10 “(iii) transfers of digital assets;

11 “(iv) is responsible for the custody,  
12 safekeeping of a digital asset or an instru-  
13 ment that enables control over a digital  
14 asset;

15 “(v) issues or has the authority to re-  
16 deem a digital asset; and

17 “(vi) provides financial services re-  
18 lated to the offer or sale of a digital asset  
19 by a person who issues such digital asset;  
20 and

21 “(B) does not include any person who—

22 “(i) obtains a digital asset to purchase  
23 goods or services for themselves;

1           “(ii) provides communication service  
2           or network access services used by a money  
3           transmitter; or

4           “(iii) develops, creates, or dissemi-  
5           nates software designed to be used to issue  
6           a digital asset or facilitate financial activi-  
7           ties associated with a digital asset.”.

8           (d) ADDITIONAL DEFINITIONS.—Section 5312(e)(1)  
9 of title 31, United States Code, is amended—

10           (1) in subparagraph (A), by striking the period  
11           at the end and inserting a semicolon; and

12           (2) by adding after subparagraph (A), the fol-  
13           lowing:

14           “(B) any virtual asset service provider  
15           that—

16           “(i) exchanges between digital assets  
17           and fiat currencies;

18           “(ii) exchanges between digital assets;

19           “(iii) transfers digital assets;

20           “(iv) is responsible for the custody,  
21           safekeeping or administration of digital as-  
22           sets or instruments enabling control over  
23           digital assets; or

1 “(v) provides financial services related  
2 to the offer or sale of a digital asset by an  
3 issuer.”.

4 **SEC. 402. ANONYMIZING SERVICES, MONEY MULE, AND AN-**  
5 **ONYMITY-ENHANCED CONVERTIBLE VIRTUAL**  
6 **CURRENCIES.**

7 Subchapter II of chapter 53 of subtitle IV of title  
8 31, United States Code is amended by adding at the end  
9 the following:

10 **“SEC. 5333. ANONYMIZING SERVICES, MONEY MULE, AND**  
11 **ANONYMITY-ENHANCED CONVERTIBLE VIR-**  
12 **TUAL CURRENCIES.**

13 “(a) IN GENERAL.—Not later than 180 days of the  
14 date of the enactment of the Digital Asset Market Struc-  
15 ture and Investor Protection Act, the Secretary of the  
16 Treasury, acting through the Financial Crimes Enforce-  
17 ment Network, shall issue a rule that governs—

18 “(1) anonymizing services;

19 “(2) money mules; and

20 “(3) anonymity-enhanced convertible virtual  
21 currency transactions.

22 “(b) PURPOSE.—The purpose of the rule described  
23 in subsection (a) shall be to ensure that anonymizing serv-  
24 ices, money mule, and anonymity-enhanced convertible vir-  
25 tual currencies are not used to prevent association of an

1 individual customer with the movement of a digital asset,  
2 digital asset security, or virtual currency of which the cus-  
3 tomer is the direct or beneficial owner.

4 “(c) REQUIREMENTS.—The rule described in sub-  
5 section (a) shall—

6 “(1) require any financial institution to prohibit  
7 any person from engaging in any transactions that  
8 involves digital assets or digital asset securities  
9 and—

10 “(A) anonymizing services;

11 “(B) money mules; or

12 “(C) anonymity-enhanced convertible vir-  
13 tual currencies;

14 “(2) prohibit any financial institution from in-  
15 forming persons about—

16 “(A) the existence of anonymizing services,  
17 money mules and anonymity-enhanced convert-  
18 ible virtual currencies;

19 “(B) the availability of anonymizing serv-  
20 ices, money mules and anonymity-enhanced  
21 convertible virtual currencies; or

22 “(C) means for identifying anonymizing  
23 services, money mules and anonymity-enhanced  
24 convertible virtual currencies; and

1           “(3) require any financial institution to estab-  
2           lish written procedures governing the documentation  
3           of the persons and amounts associated with any  
4           transaction involving—

5                     “(A) an anonymizing service;

6                     “(B) a money mule; or

7                     “(C) anonymity-enhanced convertible vir-  
8                     tual currencies.

9           “(d) DEFINITIONS.—In this section, the term ‘virtual  
10           currency’, ‘anonymizing service’, ‘money mule’, and ‘ano-  
11           nymity-enhanced convertible virtual currency’ have the  
12           meanings given such terms by the Secretary of the Treas-  
13           ury, acting through the Financial Crimes Enforcement  
14           Network.”.

15   **SEC. 403. DIGITAL ASSET TRANSACTION ACTUAL DELIVERY**  
16                     **REPORTING.**

17           Not later than 180 days after the date of the enact-  
18           ment of this Act, the Secretary of the Treasury, in con-  
19           sultation with the Commodity Futures Trading Commis-  
20           sion, shall issue a rule that requires, for any transaction  
21           involving a contract of sale of a digital asset (as defined  
22           in section 1a of the Commodity Exchange Act (7 U.S.C.  
23           1a)) in interstate commerce—

24                     (1) the transfer of possession and control (in-  
25                     cluding transfer of control over any private keys) by

1 the seller to the purchaser not later than 24 hours  
2 after the digital asset transaction is entered into and  
3 such delivery is accomplished by either—

4 (A) the recording of the transaction on the  
5 public distributed ledger for the digital asset; or

6 (B) with respect to digital asset trans-  
7 actions which are not recorded on the public  
8 distributed ledger for the digital asset, report-  
9 ing the transaction to a CFTC registered dig-  
10 ital asset repository of transactions.

11 **SEC. 404. VIRTUAL DIGITAL ASSET SERVICE PROVIDERS.**

12 (a) IN GENERAL.—The Secretary of the Treasury  
13 shall, not later than 270 days after the date of the enact-  
14 ment of this Act, issue a rule requiring virtual asset serv-  
15 ice providers (as defined in section 5312(a) of title 31,  
16 United States Code), which are engaged in services which  
17 are available in the United States and to United States  
18 persons, even if the provider is located outside the United  
19 States, related to digital asset securities and digital assets,  
20 that such persons shall be required to—

21 (1) register with the Securities and Exchange  
22 Commission or with the Commodity Futures Trad-  
23 ing Commission, as appropriate and in such capac-  
24 ities as are appropriate;

1           (2) with respect to digital asset securities, meet  
2           the customer protection and account custody rules  
3           which are applicable to Securities Exchange Com-  
4           mission registered broker-dealers for customer funds  
5           and securities; and

6           (3) with respect to digital assets, meet the cus-  
7           tomer account custody and segregated funds rules  
8           which are applicable to Commodity Futures Trading  
9           Commission registered futures commission mer-  
10          chants.

11          (b) CUSTOMER ACCOUNTS.—The customer accounts  
12          custody requirements referenced in subsection (a) shall in-  
13          clude, but are not limited to, using registered and qualified  
14          custodians, proper customer account labeling and identi-  
15          fication, minimum of quarterly account statements being  
16          issued to customers by the registered and qualified custo-  
17          dian, annual surprise audit requirements and annual au-  
18          dits by accounting firms which are registered with the  
19          Public Company Accounting Oversight Board.

20           **TITLE V—VARIOUS DIGITAL**  
21           **ASSET REPORTS**

22          **SEC. 501. IRS REPORT ON DIGITAL ASSET OWNERSHIP/**  
23          **TAXES.**

24          (a) IN GENERAL.—Not later than 270 days after the  
25          date of the enactment of this Act, the Secretary of the

1 Treasury, acting through the Internal Revenue Service,  
2 after consulting with other Federal and State regulators  
3 and market participants as appropriate, shall submit a re-  
4 port to the specified committees on the utilization of dig-  
5 ital assets by United States citizens that—

6           (1) estimates the number and percentage of  
7 United States citizens who own digital assets as of  
8 the date of the enactment of this Act and who have  
9 paid tax on digital assets each year between 2016  
10 and 2020;

11           (2) compares the number and percentage of  
12 Americans who own stocks and bonds and who have  
13 paid taxes on such assets over the same time period  
14 referenced above;

15           (3) estimates the number and percentage of  
16 Americans who fail to report digital asset holdings  
17 and income versus stock and bond holdings;

18           (4) identifies the major digital asset trading  
19 platforms in the United States, the number of cus-  
20 tomer accounts with each platform, and the annual  
21 trading volume of each platform;

22           (5) estimates the number of United States citi-  
23 zens who use United States registered digital asset  
24 trading platforms compared to foreign digital asset  
25 trading platforms;



1           (6) estimates the amount of tax revenue which  
2           was not received by the United States Treasury due  
3           to under reporting by United States taxpayers each  
4           year between 2016 and 2020; and

5           (7) makes legislative and regulatory rec-  
6           ommendations regarding changes which would im-  
7           prove reporting and collection of taxes on digital as-  
8           sets so it would be closer to reporting and collection  
9           of taxes on securities holdings.

10          (b) SPECIFIED COMMITTEES.—In this section, the  
11         term “specified committees” means—

12                 (1) the Ways and Means Committee of the  
13                 House of Representatives;

14                 (2) the Finance Committee of the Senate;

15                 (3) the Committee on Financial Services of the  
16                 House of Representatives;

17                 (4) the Committee on Banking, Housing, and  
18                 Urban Affairs of the Senate;

19                 (5) the Committee on Agriculture of the House  
20                 of Representatives; and

21                 (6) the Committee on Agriculture, Nutrition,  
22                 and Forestry of the Senate.

23         **SEC. 502. REPORT ON RANSOMWARE AND DIGITAL ASSETS.**

24                 (a) REPORT.—Not later than 270 days after the date  
25         of enactment of this Act, the Department of Justice, De-

1 partment of Homeland Security, Department of the  
2 Treasury, and Board of Governors of the Federal Reserve  
3 System shall jointly submit a report to the appropriate  
4 committees that—

5           (1) summarizes the number and size of recent  
6 ransomware attacks in the United States and the  
7 world;

8           (2) discusses the frequency of ransomware  
9 hackers requesting payment in digital assets and  
10 identifies the most common digital assets which are  
11 demanded;

12           (3) discusses the use of mixing and tumbling  
13 services and money mules to help obscure audit trail  
14 for the digital assets involved;

15           (4) identifies the digital asset trading platforms  
16 most frequently used for transactions involving dig-  
17 ital asset ransoms; and

18           (5) makes legislative and regulatory rec-  
19 ommendations for addressing the problem of  
20 ransomware and digital assets.

21       (b) APPROPRIATE COMMITTEES.—Appropriate com-  
22 mittees include the Committee on the Judiciary, Com-  
23 mittee on Homeland Security, Committee on Financial  
24 Services, and the Committee on Agriculture of the House  
25 of Representatives, and the Committee on the Judiciary,

1 Committee on Homeland Security and Governmental Af-  
2 fairs, Committee on Banking, Housing, and Urban Af-  
3 fairs, Committee on Agriculture, Nutrition, and Forestry  
4 of the Senate.

5 **SEC. 503. REPORT ON DECENTRALIZED FINANCE.**

6 Not later than 270 days after the date of the enact-  
7 ment of this Act, the Board of Governors of the Federal  
8 Reserve System, the Office of the Comptroller of the Cur-  
9 rency, the Secretary of the Treasury, the Securities and  
10 Exchange Commission, and the Commodity Futures Trad-  
11 ing Commission, shall jointly submit a report to the appro-  
12 priate committees that—

13 (1) summarizes the use of decentralized finance  
14 in the United States;

15 (2) estimates the number and percentage of  
16 Americans using decentralized finance products and  
17 services versus the global usage and identifies the  
18 major decentralized finance products and services by  
19 estimated dollar volume usage;

20 (3) provides recommendations with respect to  
21 the definition of the term “decentralized finance” to  
22 be adopted and codified in United States law;

23 (4) discusses the primary differences between  
24 digital asset fiat-based stablecoins and central bank  
25 digital currencies;

1           (5) discusses whether there are financial sta-  
2           bility risks or concerns posed by decentralized fi-  
3           nance;

4           (6) provides recommendations regarding appro-  
5           priate regulation and investor protection for decen-  
6           tralized finance in United States banking, securities,  
7           and commodities, including with respect to United  
8           States jurisdiction and application of United States  
9           law; and

10          (7) discusses the legal obligations of creators,  
11          owners, or operators of decentralized finance appli-  
12          cations, distributed ledgers, smart contracts, and  
13          other applications which are hacked or are used for  
14          fraud and manipulation.

15 **SEC. 504. REPORT ON CUSTODY OF DIGITAL ASSETS AND**  
16 **DIGITAL ASSET SECURITIES.**

17          Not later than 270 days after the date of the enact-  
18          ment of this Act, the Securities and Exchange Commis-  
19          sion, the Office of the Comptroller of the Currency, the  
20          Secretary of the Treasury, and the Commodity Futures  
21          Trading Commission, shall jointly submit a report to the  
22          appropriate committees that—

23               (1) provides recommendations on the regula-  
24               tion, licensing, and auditing of digital asset  
25               custodians and digital asset security custodians; and

1 (2) considers each of the following issues:

2 (A) The custody of digital assets and dig-  
3 ital asset securities.

4 (B) Estimates on digital assets and digital  
5 asset securities custody at trading platforms, li-  
6 censed custodians, self custody in wallets.

7 (C) FINRA Guidance to Broker Dealers  
8 on Digital Asset and Digital Asset Security  
9 Custody.

10 (D) AICPA position on custody of digital  
11 assets and digital asset securities.

12 (E) Custodian markets, banks, trust com-  
13 panies, brokers, dealers, and futures commis-  
14 sions merchants.

15 (F) The background on major United  
16 States and foreign digital asset and digital  
17 asset security custodians by size (assets held)  
18 and licensing.

19 **SEC. 505. REPORT ON DIGITAL ASSET TRADING PLAT-**  
20 **FORMS.**

21 Not later than 270 days after the date of the enact-  
22 ment of this section, the Securities and Exchange Com-  
23 mission, the Commodity Futures Trading Commission, the  
24 Secretary of the Treasury, and the Financial Crimes En-  
25 forcement Network, in consultation with such Federal and

1 State regulators and market participants as the Commis-  
2 sion determines appropriate, shall jointly submit to the  
3 relevant committees a report that—

4 (1) identifies the 10 largest digital asset trading  
5 platforms in the United States, their registration  
6 status, the number of client accounts each platform  
7 has, and the annual trading volume on each trading  
8 platform over the last 5 years;

9 (2) summarizes and compares—

10 (A) the statutory and regulatory require-  
11 ments applicable to United States digital asset  
12 trading platforms (MSBs) which are currently  
13 available to United States investors; and

14 (B) the statutory and regulatory require-  
15 ments applicable to national securities ex-  
16 changes, alternative trading systems, designated  
17 contract market, and swap execution facility;

18 (3) identifies and quantifies investor losses re-  
19 lated to all known major foreign and domestic unau-  
20 thorized electronic access or hacks of digital asset  
21 trading platforms in the 5-year period preceding the  
22 date of the enactment of this Act; and

23 (4) provides legislative and regulatory rec-  
24 ommendations to promote and increase United

1 States investor protection with respect to sale or  
2 trading of digital assets and digital asset securities.  
3 The report shall discuss the major differences between  
4 money services businesses and securities/commodities ex-  
5 changes and provide concrete legislative and regulatory  
6 recommendations which would help clarify on what entities  
7 and under what rules and requirements the trading of dig-  
8 ital assets and digital asset securities should take place  
9 as distinguished from the entities and the rules which  
10 should apply to the transmission of monetary instruments.

11 **SEC. 506. REPORT ON FALSE TRADE REPORTING, WASH**  
12 **TRADING, AND OFF-CHAIN TRANSACTION ON**  
13 **DIGITAL ASSET TRADING PLATFORMS.**

14 Not later than 270 days after the date of the enact-  
15 ment of this section, the Commodity Futures Trading  
16 Commission, the Secretary of the Treasury, and the Fi-  
17 nancial Crimes Enforcement Network, in consultation  
18 with such Federal and State regulators and market par-  
19 ticipants as the Commission determines appropriate, shall  
20 jointly submit to the relevant committees a report on false  
21 trade reporting, wash trading, and off-chain transactions  
22 with respect to contracts of sale of digital assets in inter-  
23 state commerce that—

24 (1) with respect to the 5-year period preceding  
25 the date of the enactment of this section, examines

1 each public report regarding false trade reporting  
2 and wash trading of digital assets on digital asset  
3 trading platforms;

4 (2) identifies the US and foreign digital asset  
5 trading platforms which have engaged in significant  
6 false trade reporting and wash trading;

7 (3) quantifies and estimates the amount of false  
8 trade reporting and wash trading for each year of  
9 the last five years;

10 (4) discusses the use of omnibus accounts by  
11 digital asset trading platforms to hold customer as-  
12 sets and whether internalization of digital asset  
13 transactions by digital asset trading platforms cre-  
14 ates transparency issues related to the public distrib-  
15 uted ledger having an up-to-date record of all trans-  
16 actions and current ownership of digital assets;

17 (5) quantifies the amount and average daily  
18 trading volume of off-chain digital asset transactions  
19 occurring on United States digital asset trading  
20 platforms which are not reported to the public dis-  
21 tributed ledger for the digital asset for each of the  
22 last five years;

23 (6) identifies the entities which have facilitated  
24 false trade reporting; and



1           (7) provides legislative and regulatory rec-  
2           ommendations to promote and increase United  
3           States investor protection with respect to digital as-  
4           sets.

5 **SEC. 507. RELEVANT COMMITTEES DEFINED.**

6           The term “relevant committees” means—

- 7           (1) the Committee on Financial Services of the  
8           House of Representatives;
- 9           (2) the Committee on Banking, Housing, and  
10          Urban Affairs of the Senate;
- 11          (3) the Committee on Agriculture of the House  
12          of Representatives; and
- 13          (4) the Committee on Agriculture, Nutrition,  
14          and Forestry of the Senate.

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