

AMENDMENT TO RULES COMMITTEE PRINT
117-54
OFFERED BY MR. BUDD OF NORTH CAROLINA

Add at the end of title LIV of division E the following:

1 **SEC. 54** ____. **FINANCIAL TECHNOLOGY PROTECTION.**

2 (a) INDEPENDENT FINANCIAL TECHNOLOGY TASK
3 FORCE TO COMBAT TERRORISM AND ILLICIT FINANC-
4 ING.—

5 (1) ESTABLISHMENT.—There is established the
6 Independent Financial Technology Task Force to
7 Combat Terrorism and Illicit Financing (the “Task
8 Force”), which shall consist of—

9 (A) the Secretary of the Treasury, who
10 shall serve as the head of the Task Force;

11 (B) the Attorney General;

12 (C) the Director of National Intelligence;

13 (D) the Director of the Financial Crimes
14 Enforcement Network;

15 (E) the Director of the Secret Service;

16 (F) the Director of the Federal Bureau of
17 Investigation; and

1 (G) 6 individuals appointed by the Sec-
2 retary of the Treasury, in consultation with the
3 members of the Task Force described under
4 subparagraphs (B) through (F), to represent
5 the private sector (including the banking indus-
6 try, nonprofit groups, and think tanks), with at
7 least two of such individuals having experience
8 in the Fintech industry.

9 (2) DUTIES.—The Task Force shall—

10 (A) conduct independent research on ter-
11 rorist and illicit use of new financial tech-
12 nologies, including digital currencies; and

13 (B) develop legislative and regulatory pro-
14 posals to improve counter-terrorist and counter-
15 illicit financing efforts.

16 (3) ANNUAL CONGRESSIONAL REPORT.—Not
17 later than 1 year after the date of the enactment of
18 this Act, and annually thereafter, the Task Force
19 shall issue a report to the Congress containing the
20 findings and determinations made by the Task
21 Force in the previous year and any legislative and
22 regulatory proposals developed by the Task Force.

23 (b) REWARDS FOR INFORMATION RELATED TO TER-
24 RORIST USE OF DIGITAL CURRENCIES.—

1 (1) IN GENERAL.—The Secretary of the Treas-
2 ury, in consultation with the Attorney General, shall
3 establish a fund to pay a reward, not to exceed
4 \$450,000, to any person who provides information
5 leading to the conviction of an individual involved
6 with terrorist use of digital currencies.

7 (2) USE OF FINES AND FORFEITURES.—With
8 respect to fines and forfeitures related to the convic-
9 tion of an individual involved with terrorist use of
10 digital currencies, the Secretary of the Treasury
11 shall, subject to the availability of appropriations
12 made in advance—

13 (A) use such amounts to pay rewards
14 under this subsection related to such conviction;
15 and

16 (B) with respect to any such amounts re-
17 maining after payments are made under sub-
18 paragraph (A), deposit such amounts in the
19 Fintech Leadership in Innovation and Financial
20 Intelligence Program.

21 (c) FINTECH LEADERSHIP IN INNOVATION AND FI-
22 NANCIAL INTELLIGENCE PROGRAM.—

23 (1) ESTABLISHMENT.—There is established a
24 program to be known as the “Fintech Leadership in
25 Innovation and Financial Intelligence Program”,

1 which shall be funded as provided under subsection
2 (b)(2)(B).

3 (2) INNOVATION GRANTS.—

4 (A) IN GENERAL.—The Secretary of the
5 Treasury shall make grants for the development
6 of tools and programs to detect terrorist and il-
7 licit use of digital currencies.

8 (B) ELIGIBLE RECIPIENTS.—The Sec-
9 retary may make grants under this paragraph
10 to entities located in the United States, includ-
11 ing academic institutions, companies, nonprofit
12 institutions, individuals, and any other entities
13 located in the United States that the Secretary
14 determines appropriate.

15 (C) ELIGIBLE PROJECTS.—With respect to
16 tools and programs described under subpara-
17 graph (A), in addition to grants for the develop-
18 ment of such tools and programs, the Secretary
19 may make grants under this paragraph to carry
20 out pilot programs using such tools, the devel-
21 opment of test cases using such tools, and re-
22 search related to such tools.

23 (D) PREFERENCES.—In making grants
24 under this paragraph, the Secretary shall give
25 preference to—

1 (i) technology that is nonproprietary
2 or that is community commons-based;

3 (ii) computer code that is developed
4 and released on an open source basis;

5 (iii) tools that are proactive (such as
6 meeting regulatory requirements under
7 “know your customer” and anti-money
8 laundering requirements for any entity
9 that has to comply with U.S. Government
10 regulations) vs. reactive (such as aiding
11 law enforcement organizations in catching
12 illegal activity after the fact); and

13 (iv) tools and incentives that are on
14 decentralized platforms.

15 (E) OTHER REQUIREMENTS.—

16 (i) USE OF EXISTING GLOBAL STAND-
17 ARDS.—Any new technology developed with
18 a grant made under this paragraph shall
19 be based on existing global standards, such
20 as those developed by the Internet Engi-
21 neering Task Force (IETF) and the World
22 Wide Web Consortium (W3C).

23 (ii) SUPPORTING EXISTING LAWS OR
24 REGULATIONS.—Tools and programs devel-
25 oped with a grant made under this para-

1 graph shall be in support of existing laws
2 or regulations, including the Bank Secrecy
3 Act, and make efforts to balance privacy
4 and anti-money laundering concerns.

5 (iii) OPEN ACCESS REQUIREMENT.—
6 Tools and programs developed with a grant
7 made under this paragraph shall be freely
8 accessible and usable by the public. This
9 requirement may be fulfilled by publicly
10 availing application programming inter-
11 faces or software development kits.

12 (d) PREVENTING ROGUE AND FOREIGN ACTORS
13 FROM EVADING SANCTIONS.—

14 (1) REPORT AND STRATEGY WITH RESPECT TO
15 DIGITAL CURRENCIES AND OTHER RELATED EMERG-
16 ING TECHNOLOGIES.—

17 (A) IN GENERAL.—Not later than 180
18 days after the date of the enactment of this
19 Act, the President, acting through the Sec-
20 retary of Treasury and in consultation with the
21 Attorney General, the Secretary of State, the
22 Secretary of Homeland Security, the Director of
23 National Intelligence, the Director of the Office
24 of Management and Budget, and the appro-

1 appropriate Federal banking agencies and Federal
2 functional regulators, shall—

3 (i) submit to the appropriate congress-
4 sional committees a report that identifies
5 and describes the potential uses of digital
6 currencies and other related emerging
7 technologies by states, non-state actors,
8 and foreign terrorist organizations to evade
9 sanctions, finance terrorism, or launder
10 monetary instruments, and threaten
11 United States national security; and

12 (ii) develop and submit to the appro-
13 priate congressional committees a strategy
14 to mitigate and prevent such illicit use of
15 digital currencies and other related emerg-
16 ing technologies.

17 (B) FORM; PUBLIC AVAILABILITY.—

18 (i) FORM.—The report and strategy
19 required under subparagraph (A) shall be
20 submitted in unclassified form, but may
21 contain a classified annex.

22 (ii) PUBLIC AVAILABILITY.—The un-
23 classified portion of such report and strat-
24 egy shall be made available to the public

1 and posted on the internet website of the
2 Department of Treasury—

3 (I) in pre-compressed, easily
4 downloadable versions that are made
5 available in all appropriate formats;
6 and

7 (II) in machine-readable format,
8 if applicable.

9 (C) SOURCES OF INFORMATION.—In pre-
10 paring the report and strategy required under
11 subparagraph (A), the President may utilize
12 any credible publication, database, web-based
13 resource, and any credible information compiled
14 by any government agency, nongovernmental
15 organization, or other entity that is made avail-
16 able to the President.

17 (2) BRIEFING.—Not later than 2 years after
18 the date of the enactment of this Act, the Secretary
19 of the Treasury shall brief the appropriate congress-
20 sional committees on the implementation of the
21 strategy required under paragraph (1).

22 (e) DETERMINATION OF BUDGETARY EFFECTS.—
23 The budgetary effects of this section, for the purpose of
24 complying with the Statutory Pay-As-You-Go Act of 2010,
25 shall be determined by reference to the latest statement

1 titled “Budgetary Effects of PAYGO Legislation” for this
2 section, submitted for printing in the Congressional
3 Record by the Chairman of the House Budget Committee,
4 provided that such statement has been submitted prior to
5 the vote on passage.

6 (f) DEFINITIONS.—For purposes of this section:

7 (1) APPROPRIATE CONGRESSIONAL COMMIT-
8 TEES.—The term “appropriate congressional com-
9 mittees” means—

10 (A) the Committee on Financial Services,
11 the Committee on the Judiciary, the Permanent
12 Select Committee on Intelligence, and the Com-
13 mittee on Foreign Affairs of the House of Rep-
14 resentatives; and

15 (B) the Committee on Banking, Housing,
16 and Urban Affairs, the Committee on Home-
17 land Security and Governmental Affairs, the
18 Committee on the Judiciary, the Select Com-
19 mittee on Intelligence, and the Committee on
20 Foreign Relations of the Senate.

21 (2) APPROPRIATE FEDERAL BANKING AGEN-
22 CIES.—The term “appropriate Federal banking
23 agencies” has the meaning given the term in section
24 3 of the Federal Deposit Insurance Act (12 U.S.C.
25 1813).

1 (3) BANK SECRECY ACT.—The term “Bank Se-
2 crecy Act” means—

3 (A) section 21 of the Federal Deposit In-
4 surance Act;

5 (B) chapter 2 of title I of Public Law 91–
6 508; and

7 (C) subchapter II of chapter 53 of title 31,
8 United States Code.

9 (4) DIGITAL CURRENCY.—The term “digital
10 currency”—

11 (A) means a digital representation of value
12 that—

13 (i) is used as a medium of exchange,
14 unit of account, or store of value; and

15 (ii) is not established legal tender,
16 whether or not denominated in established
17 legal tender; and

18 (B) does not include—

19 (i) a transaction in which a merchant
20 grants, as part of an affinity or rewards
21 program, value that cannot be taken from
22 or exchanged with the merchant for legal
23 tender, bank credit, or digital currency; or

24 (ii) a digital representation of value
25 issued by or on behalf of a publisher and

1 used solely within an online game, game
2 platform, or family of games sold by the
3 same publisher or offered on the same
4 game platform.

5 (5) FEDERAL FUNCTIONAL REGULATOR.—The
6 term “Federal functional regulator” has the mean-
7 ing given that term in section 509 of the Gramm-
8 Leach-Bliley Act (15 U.S.C. 6809).

9 (6) FOREIGN TERRORIST ORGANIZATION.—The
10 term “foreign terrorist organization” means an or-
11 ganization that is designated as a foreign terrorist
12 organization under section 219 of the Immigration
13 and Nationality Act (8 U.S.C. 1189).

14 (7) TERRORIST.—The term “terrorist” includes
15 a person carrying out domestic terrorism or inter-
16 national terrorism (as such terms are defined, re-
17 spectively, under section 2331 of title 18, United
18 States Code).

