

AMENDMENT TO THE RULES COMMITTEE PRINT
118-33
OFFERED BY MRS. BEATTY OF OHIO

At the end of title I, add the following:

1 **SEC. 112. RECORDKEEPING AND INTERNAL ACCOUNTING**

2 **CONTROL RULES.**

3 (a) FINDINGS.—Congress finds the following:

4 (1) The Foreign Corrupt Practices Act of 1977
5 (“FCPA”) is designed to detect and prevent in-
6 stances of foreign bribery and corruption.

7 (2) The Department of Justice (“DOJ”) is re-
8 sponsible for criminal prosecution of individuals and
9 entities that breach the FCPA and the Securities
10 and Exchange Commission (“SEC”) is responsible
11 for civil enforcement where issuing companies violate
12 the FCPA responsibilities.

13 (3) For the SEC, that includes the keeping of
14 books and records that provide transparency into the
15 issuer’s activities and the maintenance of an ade-
16 quate system of internal accounting controls.

17 (4) Together, in 2023, DOJ and SEC resolved
18 13 corporate FCPA matters for \$733 million in pen-
19 alties, disgorgement, and interest.

1 (5) This Act removes many companies from
2 SEC oversight on FCPA matters.

3 (6) While the Commodity Futures Trading
4 Commission (“CFTC”) maintains an enforcement
5 advisory that allows the CFTC to apply similar re-
6 quirements on its regulated entities, this section
7 would clarify and codify that FCPA requirements
8 for CFTC-regulated entities are necessary under the
9 law.

10 (7) The attempt to shift oversight to what is re-
11 garded by industry as less-stringent enforcement
12 cannot be allowed to undermine anti-corruption prin-
13 ciples and anti-bribery regulations.

14 (b) SECURITIES AND EXCHANGE COMMISSION.—The
15 Securities and Exchange Commission shall issue covered
16 recordkeeping and internal accounting control rules appli-
17 cable to digital asset brokers, digital asset dealers, and
18 digital asset trading systems.

19 (c) COMMODITY FUTURES TRADING COMMISSION.—
20 The Commodity Futures Trading Commission shall issue
21 covered recordkeeping and internal accounting control
22 rules applicable to digital commodity brokers, digital com-
23 modity dealers, and digital commodity exchanges.

24 (d) COVERED RECORDKEEPING AND INTERNAL AC-
25 COUNTING CONTROL RULES.—In this section, the term

1 “covered recordkeeping and internal accounting control
2 rules” means rules that require a person to—

3 (1) make and keep books, records, and ac-
4 counts, which, in reasonable detail, accurately and
5 fairly reflect the transactions and dispositions of the
6 person’s assets;

7 (2) devise and maintain a system of internal ac-
8 counting controls sufficient to provide reasonable as-
9 surances that—

10 (A) transactions are executed in accord-
11 ance with management’s general or specific au-
12 thorization;

13 (B) transactions are recorded as nec-
14 essary—

15 (i) to permit preparation of financial
16 statements in conformity with generally ac-
17 cepted accounting principles or any other
18 criteria applicable to such statements, and

19 (ii) to maintain accountability for as-
20 sets;

21 (C) access to assets is permitted only in
22 accordance with management’s general or spe-
23 cific authorization; and

24 (D) the recorded accountability for assets
25 is compared with the existing assets at reason-

- 1 able intervals and appropriate action is taken
- 2 with respect to any differences.

