

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

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

1 **SEC. 5403. WORKING GROUP TO SUPPORT INNOVATION**
2 **WITH RESPECT TO DIGITAL ASSETS.**

3 (a) ESTABLISHMENT.—Not later than 90 days after
4 the date of the enactment of this section, the Securities
5 and Exchange Commission and the Commodity Futures
6 Trading Commission shall jointly establish a working
7 group (to be known as the “SEC and CFTC Working
8 Group on Digital Assets”) to carry out the report required
9 under subsection (c)(1).

10 (b) MEMBERSHIP.—

11 (1) IN GENERAL.—The Working Group shall be
12 composed of members appointed in accordance with
13 paragraph (2).

14 (2) APPOINTMENT OF MEMBERS.—

15 (A) REPRESENTATIVES OF COMMISS-
16 SIONS.—The Securities and Exchange Commis-
17 sion and the Commodity Futures Trading Com-

1 mission shall each appoint an equal number of
2 employees of each such Commission to serve as
3 members of the Working Group.

4 (B) REPRESENTATIVES OF NONGOVERN-
5 MENTAL STAKEHOLDERS.—

6 (i) APPOINTMENT.—The Securities
7 and Exchange Commission and the Com-
8 modity Futures Trading Commission shall
9 each appoint an equal number of non-
10 governmental representatives to serve as
11 members of the Working Group, except
12 that such number of members may not be
13 greater than or equal to the number of
14 members appointed under subparagraph
15 (A).

16 (ii) REQUIRED MEMBERS.—The mem-
17 bers of the Working Group appointed
18 under clause (i) shall include at least one
19 representative from each of the following:

20 (I) Financial technology compa-
21 nies that provide products or services
22 involving digital assets.

23 (II) Financial firms under the ju-
24 risdiction of the Securities and Ex-

1 change Commission or the Commodity
2 Futures Trading Commission.

3 (III) Institutions or organizations
4 engaged in academic research or advo-
5 cacy relating to digital asset use.

6 (IV) Small businesses engaged in
7 financial technology.

8 (V) Investor protection organiza-
9 tions.

10 (VI) Institutions and organiza-
11 tions that support investment in his-
12 torically-underserved businesses.

13 (C) NO COMPENSATION FOR MEMBERS OF
14 THE WORKING GROUP.—

15 (i) FEDERAL EMPLOYEE MEMBERS.—
16 All members of the Working Group ap-
17 pointed under subparagraph (A) shall
18 serve without compensation in addition to
19 that received for their services as officers
20 or employees of the United States.

21 (ii) NON-FEDERAL MEMBERS.—All
22 members of the Working Group appointed
23 under subparagraph (B) shall serve with-
24 out compensation.

25 (c) REPORT.—

1 (1) IN GENERAL.—Not later than 1 year after
2 the date of the enactment of this section, the Work-
3 ing Group shall submit to the Securities and Ex-
4 change Commission, the Commodity Futures Trad-
5 ing Commission, and the relevant committees a re-
6 port that contains—

7 (A) an analysis of—

8 (i) the legal and regulatory framework
9 and related developments in the United
10 States relating to digital assets, includ-
11 ing—

12 (I) the impact that lack of clarity
13 in such framework has on primary
14 and secondary markets in digital as-
15 sets; and

16 (II) how the domestic legal and
17 regulatory regimes relating to digital
18 assets impact the competitive position
19 of the United States; and

20 (ii) developments in other countries
21 related to digital assets and identification
22 of how these developments impact the com-
23 petitive position of the United States; and

24 (B) recommendations—

1 (i) for the creation, maintenance, and
2 improvement of primary and secondary
3 markets in digital assets, including for im-
4 proving the fairness, orderliness, integrity,
5 efficiency, transparency, availability, and
6 efficacy of such markets;

7 (ii) for standards concerning custody,
8 private key management, cybersecurity,
9 and business continuity relating to digital
10 asset intermediaries; and

11 (iii) for best practices to—

12 (I) reduce fraud and manipula-
13 tion of digital assets in cash, lever-
14 aged, and derivatives markets;

15 (II) improve investor protections
16 for participants in such markets; and

17 (III) assist in compliance with
18 anti-money laundering and countering
19 the financing of terrorism obligations
20 under the Bank Secrecy Act.

21 (2) REPORT LIMITED TO SEC AND CFTC AU-
22 THORITIES.—The analysis and recommendations
23 provided under subparagraphs (A) and (B) of para-
24 graph (1) may only relate to the laws, regulations,
25 and related matters that are under the primary ju-

1 jurisdiction of the Securities and Exchange Commis-
2 sion or the Commodity Futures Trading Commis-
3 sion.

4 (d) NONAPPLICABILITY OF FACA.—The Federal Ad-
5 visory Committee Act (5 U.S.C. App.) shall not apply to
6 the Working Group.

7 (e) TERMINATION.—

8 (1) IN GENERAL.—The Working Group shall
9 terminate on the date that is 1 year after the date
10 of the enactment of this section, except that the
11 Chairman of the Securities and Exchange Commis-
12 sion and the Chairman of the Commodity Futures
13 Trading Commission may, jointly, extend the Work-
14 ing Group for a longer period, not to exceed 1 year.

15 (2) SECOND REPORT IN THE CASE OF EXTEN-
16 SION.—In the case of an extension of the Working
17 Group under paragraph (1), the Working Group
18 shall, not later than the last day of such extension,
19 submit to the Securities and Exchange Commission,
20 the Commodity Futures Trading Commission, and
21 the relevant committees a report that contains an
22 update to the analysis and recommendations re-
23 quired under subparagraphs (A) and (B) of sub-
24 section (c)(1).

25 (f) DEFINITIONS.—In this section:

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

3 (A) section 21 of the Federal Deposit In-
4 surance Act (12 U.S.C. 1829b);

5 (B) chapter 2 of title I of Public Law 91–
6 508 (12 U.S.C. 1951 et seq.); and

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

9 (2) HISTORICALLY-UNDERSERVED BUSI-
10 NESSES.—The term “historically-underserved busi-
11 nesses” means women-owned businesses, minority-
12 owned businesses, and rural businesses.

13 (3) RELEVANT COMMITTEES.—The term “rel-
14 evant committees” means—

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

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

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

21 (D) the Committee on Agriculture, Nutri-
22 tion, and Forestry of the Senate.

1 (4) WORKING GROUP.—The term “Working
2 Group” means the working group established under
3 subsection (a).

