

AMENDMENT TO THE RULES COMMITTEE PRINT
117-54
OFFERED BY MR. SHERMAN OF CALIFORNIA

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

1 **SEC. 5403. RUSSIAN DIGITAL ASSET SANCTIONS COMPLI-**
2 **ANCE.**

3 (a) **DEFINITIONS.**—In this section:

4 (1) **APPROPRIATE CONGRESSIONAL COMMIT-**
5 **TEES AND LEADERSHIP.**—The term “appropriate
6 congressional committees and leadership” means—

7 (A) the Committee on Banking, Housing,
8 and Urban Affairs, the Committee on Foreign
9 Relations, and the majority and minority lead-
10 ers of the Senate; and

11 (B) the Committee on Financial Services,
12 the Committee on Foreign Affairs, and the
13 speaker, the majority leader, and the minority
14 leader of the House of Representatives.

15 (2) **DIGITAL ASSETS.**—The term “digital as-
16 sets” means any digital representation of value, fi-
17 nancial assets and instruments, or claims that are
18 used to make payments or investments, or to trans-

1 mit or exchange funds or the equivalent thereof, that
2 are issued or represented in digital form through the
3 use of distributed ledger technology.

4 (3) DIGITAL ASSET TRADING PLATFORM.—The
5 term “digital asset trading platform” means a per-
6 son, or group of persons, that operates as an ex-
7 change or other trading facility for the purchase,
8 sale, lending, or borrowing of digital assets.

9 (4) DIGITAL ASSET TRANSACTION
10 FACILITATOR.—The term “digital asset transaction
11 facilitator” means—

12 (A) any person, or group of persons, that
13 significantly and materially facilitates the pur-
14 chase, sale, lending, borrowing, exchange, cus-
15 tody, holding, validation, or creation of digital
16 assets on the account of others, including any
17 communication protocol, decentralized finance
18 technology, smart contract, or other software,
19 including open-source computer code—

20 (i) deployed through the use of dis-
21 tributed ledger or any similar technology;
22 and

23 (ii) that provides a mechanism for
24 multiple users to purchase, sell, lend, bor-
25 row, or trade digital assets; and

1 (B) any person, or group of persons, that
2 the Secretary of the Treasury otherwise deter-
3 mines to be significantly and materially facili-
4 tating digital assets transactions in violation of
5 sanctions.

6 (5) FOREIGN PERSON.—The term “foreign per-
7 son” means an individual or entity that is not a
8 United States person.

9 (6) UNITED STATES PERSON.—The term
10 “United States person” means—

11 (A) an individual who is a United States
12 citizen or an alien lawfully admitted for perma-
13 nent residence to the United States; or

14 (B) an entity organized under the laws of
15 the United States or any jurisdiction within the
16 United States, including a foreign branch of
17 such an entity.

18 (b) IMPOSITION OF SANCTIONS WITH RESPECT TO
19 THE USE OF DIGITAL ASSETS TO FACILITATE TRANS-
20 ACTIONS BY RUSSIAN PERSONS SUBJECT TO SANC-
21 TIONS.—

22 (1) REPORT REQUIRED.—Not later than 90
23 days after the date of the enactment of this Act, and
24 periodically thereafter as necessary, the President

1 shall submit to Congress a report identifying any
2 foreign person that—

3 (A) operates a digital asset trading plat-
4 form or is a digital asset transaction facilitator;
5 and

6 (B)(i) has significantly and materially as-
7 sisted, sponsored, or provided financial, mate-
8 rial, or technological support for, or goods or
9 services to or in support of any person with re-
10 spect to which sanctions have been imposed by
11 the United States relating to the Russian Fed-
12 eration, including by facilitating transactions
13 that evade such sanctions; or

14 (ii) is owned or controlled by, or acting or
15 purporting to act for or on behalf of any person
16 with respect to which sanctions have been im-
17 posed by the United States relating to the Rus-
18 sian Federation.

19 (2) IMPOSITION OF SANCTIONS.—The President
20 may exercise all of the powers granted to the Presi-
21 dent under the International Emergency Economic
22 Powers Act (50 U.S.C. 1701 et seq.) to the extent
23 necessary to block and prohibit all transactions in
24 property and interests in property of a foreign per-
25 son identified in a report submitted under paragraph

1 (1) if such property and interests in property are in
2 the United States, come within the United States, or
3 are or come within the possession or control of a
4 United States person.

5 (3) IMPLEMENTATION; PENALTIES.—

6 (A) IMPLEMENTATION.—The President
7 may exercise all authorities provided under sec-
8 tions 203 and 205 of the International Emer-
9 gency Economic Powers Act (50 U.S.C. 1702
10 and 1704) to carry out this section.

11 (B) PENALTIES.—A person that violates,
12 attempts to violate, conspires to violate, or
13 causes a violation of this section or any regula-
14 tion, license, or order issued to carry out this
15 section shall be subject to the penalties set
16 forth in subsections (b) and (c) of section 206
17 of the International Emergency Economic Pow-
18 ers Act (50 U.S.C. 1705) to the same extent as
19 a person that commits an unlawful act de-
20 scribed in subsection (a) of that section.

21 (4) NATIONAL SECURITY WAIVER.—The Presi-
22 dent may waive the imposition of sanctions under
23 this section with respect to a person if the Presi-
24 dent—

1 (A) determines that such a waiver is in the
2 national security interests of the United States;
3 and

4 (B) submits to Congress a notification of
5 the waiver and the reasons for the waiver.

6 (5) EXCEPTIONS.—

7 (A) EXCEPTION FOR INTELLIGENCE AC-
8 TIVITIES.—This section shall not apply with re-
9 spect to activities subject to the reporting re-
10 quirements under title V of the National Secu-
11 rity Act of 1947 (50 U.S.C. 3091 et seq.) or
12 any authorized intelligence activities of the
13 United States.

14 (B) EXCEPTION RELATING TO IMPORTA-
15 TION OF GOODS.—

16 (i) IN GENERAL.—The authority to
17 block and prohibit all transactions in all
18 property and interests in property under
19 paragraph (2) shall not include the author-
20 ity or a requirement to impose sanctions
21 on the importation of goods.

22 (ii) GOOD.—In this paragraph, the
23 term “good” means any article, natural or
24 manmade substance, material, supply or
25 manufactured product, including inspection

1 and test equipment, and excluding tech-
2 nical data.

3 (c) DISCRETIONARY PROHIBITION OF TRANS-
4 ACTIONS.—The Secretary of the Treasury may require
5 that no digital asset trading platform or digital asset
6 transaction facilitator that does business in the United
7 States transact with, or fulfill transactions of, digital asset
8 addresses that are known to be, or could reasonably be
9 known to be, affiliated with persons headquartered or
10 domiciled in the Russian Federation if the Secretary—

11 (1) determines that exercising such authority is
12 important to the national interest of the United
13 States; and

14 (2) not later than 90 days after exercising the
15 authority described in paragraph (1), submits to the
16 appropriate congressional committees and leadership
17 a report on the basis for any determination under
18 that paragraph.

19 (d) TRANSACTION REPORTING.—Not later than 120
20 days after the date of enactment of this Act, the Financial
21 Crimes Enforcement Network shall require United States
22 persons engaged in a transaction with a value greater than
23 \$10,000 in digital assets through 1 or more accounts out-
24 side of the United States to file a report described in sec-
25 tion 1010.350 of title 31, Code of Federal Regulations,

1 using the form described in that section, in accordance
2 with section 5314 of title 31, United States Code.

3 (e) REPORTS.—

4 (1) IN GENERAL.—Not later than 120 days
5 after the date of enactment of this Act, the Sec-
6 retary of the Treasury shall submit to the appro-
7 priate congressional committees and leadership a re-
8 port on the progress of the Department of the
9 Treasury in carrying out this section, including any
10 resources needed by the Department to improve im-
11 plementation and progress in coordinating with gov-
12 ernments of countries that are allies or partners of
13 the United States.

14 (2) OTHER REPORTS.—Not later than 120 days
15 after the date of enactment of this Act, and every
16 year thereafter, the Secretary of the Treasury shall
17 submit to the appropriate congressional committees
18 and leadership and make publicly available a report
19 identifying the digital asset trading platforms that
20 the Office of Foreign Assets Control of the Depart-
21 ment of the Treasury determines to be high risk for
22 sanctions evasion, money laundering, or other illicit
23 activities. Any exchange included in the report may
24 petition the Office of Foreign Assets Control for re-
25 moval, which shall be granted upon demonstrating

1 that the exchange is taking steps sufficient to com-
2 ply with applicable United States law.

