

AMENDMENT TO THE RULES COMMITTEE PRINT

119–35

OFFERED BY MS. WATERS OF CALIFORNIA

Add at the end the following:

1 TITLE IX—STOP TRADING, RE-
2 TENTION, AND UNFAIR MAR-
3 KET PAYOFFS IN CRYPTO

4 SEC. 901. STOP TRADING, RETENTION, AND UNFAIR MAR-
5 KET PAYOFFS IN CRYPTO.

6 (a) PROHIBITION ON COVERED INDIVIDUALS IN CON-
7 NECTION WITH DIGITAL ASSETS.—

8 (1) IN GENERAL.—A covered individual may
9 not—

10 (A) own a proportion of a digital asset that
11 would allow the individual to unilaterally make
12 changes to the digital asset;

13 (B) serve as an officer, director, or owner
14 of a digital asset issuer;

15 (C) issue, sponsor, promote, or receive any
16 direct or indirect compensation, including fees,
17 for the sale, marketing, or mining of any digital
18 asset in the United States or to a United States
19 person; or

1 (D) trade digital assets while in office, if
2 the covered individual has material non-public
3 information about digital assets.

4 (2) PROHIBITION ON CERTAIN COMPANIES ACT-
5 ING ON BEHALF OF A COVERED INDIVIDUAL.—An
6 issuer required to file reports with the Securities and
7 Exchange Commission under section 13 of the Secu-
8 rities Exchange Act of 1934 may not issue or sell,
9 or otherwise transact with respect to, a digital asset
10 on behalf of a covered individual.

11 (3) PENALTIES.—Section 216 of title 18,
12 United States Code, shall apply to a violation of this
13 section to the same extent as such section 216 ap-
14 plies to a violation of section 203, 204, 205, 207,
15 208, or 209 of such title.

16 (b) PROHIBITION ON INDIRECT PARTICIPATION
17 THROUGH INTERMEDIARIES AND BENEFICIAL OWNER-
18 SHIP.—

19 (1) ANTI-EVASION RULE.—A covered individual
20 may not take any action prohibited by this section
21 through any trust, corporation, partnership, limited
22 liability company, unincorporated association, polit-
23 ical committee, nonprofit organization, or other enti-
24 ty or person, including any digital wallet or protocol,
25 if such covered individual—

1 (A) directly or indirectly exercises control
2 over such entity;

3 (B) acts through such entity as a bene-
4 ficial owner; or

5 (C) has received or expects to receive com-
6 pensation, financial benefit, or influence as a
7 result of the entity's engagement in digital
8 asset activities described in this section.

9 (2) DEFINITION OF BENEFICIAL OWNER.—In
10 this subsection, and with respect to an entity, the
11 term “beneficial owner” includes any individual who,
12 directly or indirectly—

13 (A) has a financial interest in, or receives
14 material benefit from a digital asset issuer;

15 (B) has the ability to influence, direct, or
16 control decisions of such entity or digital asset
17 activity, whether formal or informal;

18 (C) has any ownership interest of 5 per-
19 cent or more in such entity, including through
20 trusts, nominee arrangements, or contractual
21 rights; or

22 (D) is a grantor, trustee, or beneficiary of
23 a trust that holds such interests.

24 (3) LOOK-THROUGH REQUIREMENT.—Any pro-
25 hibition or disclosure requirement in this section

1 shall apply to covered individuals with respect to any
2 digital asset held indirectly or through any arrange-
3 ment intended to conceal beneficial ownership or
4 control.

5 (c) DEFINITIONS.—In this section:

6 (1) COVERED INDIVIDUAL DEFINED.—The term
7 “covered individual” means—

8 (A) the President;

9 (B) the Vice President;

10 (C) a Member of Congress; or

11 (D) the spouse, child, son-in-law, or daugh-
12 ter-in-law, as determined under applicable com-
13 mon law, of any individual described in sub-
14 paragraph (A), (B), or (C).

15 (2) DIGITAL ASSET.—The term “digital asset”
16 means any digital representation of value which is
17 recorded on a cryptographically-secured distributed
18 ledger, including a stablecoin, a memecoin, and any
19 financial contract or product or instrument that de-
20 rives its value from a digital asset, including—

21 (A) futures, options, or swaps referencing
22 a digital asset;

23 (B) any security or trust whose primary
24 assets or benchmark are digital assets;

1 (C) yield-bearing digital asset products in-
2 cluding staking, lending, or decentralized fi-
3 nance protocols;

4 (D) non-fungible tokens; and

5 (E) decentralized autonomous organization
6 tokens.

7 (3) DISTRIBUTED LEDGER.—The term “distrib-
8 uted ledger” means technology where data is shared
9 across a network that creates a digital ledger of
10 verified transactions or information among network
11 participants and the data are typically linked using
12 cryptography to maintain the integrity of the ledger
13 and execute other functions.

14 (4) MEMBER OF CONGRESS.—The term “Mem-
15 ber of Congress” means a Senator or a Representa-
16 tive in, or a Delegate or Resident Commissioner to,
17 the Congress.

