

[DISCUSSION DRAFT]

116TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To clarify which Federal agencies regulate digital assets, to require those agencies to notify the public of any Federal licences, certifications, or registrations required to create or trade in such assets, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. GOSAR introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

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**A BILL**

To clarify which Federal agencies regulate digital assets, to require those agencies to notify the public of any Federal licences, certifications, or registrations required to create or trade in such assets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Crypto-Currency Act  
5 of 2020”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1           (1) CRYPTO-COMMODITY.—The term “crypto-  
2 commodity” means economic goods or services  
3 that—

4                   (A) have full or substantial fungibility;

5                   (B) the markets treat with no regard as to  
6 who produced the goods or services; and

7                   (C) rest on a blockchain or decentralized  
8 cryptographic ledger.

9           (2) CRYPTO-CURRENCY.—The term “crypto-  
10 currency” means representations of United States  
11 currency or synthetic derivatives resting on a  
12 blockchain or decentralized cryptographic ledger, in-  
13 cluding—

14                   (A) such representations or synthetic de-  
15 rivatives that are reserve-backed digital assets  
16 that are fully collateralized in a correspondent  
17 banking account, such as stablecoins; and

18                   (B) synthetic derivatives that are—

19                           (i) determined by decentralized oracles  
20 or smart contracts; and

21                           (ii) collateralized by crypto-commod-  
22 ities, other crypto-currencies, or crypto-se-  
23 curities.

24           (3) CRYPTO-SECURITY.—

1 (A) IN GENERAL.—The term “crypto-secu-  
2 rity” means all debt, equity, and derivative in-  
3 struments that rest on a blockchain or decen-  
4 tralized cryptographic ledger.

5 (B) EXCEPTION.—The term “crypto-secu-  
6 rity” does not include a synthetic derivative  
7 that—

8 (i) is operated as, and is registered  
9 with the Department of the Treasury as, a  
10 money services business (as defined under  
11 section 1010.100 of title 31, Code of Fed-  
12 eral Regulations); and

13 (ii) is operated in compliance with all  
14 applicable requirements of subchapter II of  
15 chapter 53 of title 31, United States Code  
16 (commonly referred to as the “Bank Se-  
17 crecy Act”) and all other Federal anti-  
18 money laundering, anti-terrorism, and  
19 screening requirements of the Office of  
20 Foreign Assets Control and the Financial  
21 Crimes Enforcement Network.

22 (4) DECENTRALIZED ORACLE.—The term “de-  
23 centralized oracle” means a service that sends and  
24 verifies real world data from external sources outside  
25 of a blockchain and submits such information to

1 smart contracts that rest on the blockchain, thus  
2 triggering the execution of predefined functions of  
3 the smart contract.

4 (5) DIGITAL ASSET.—The term “digital asset”  
5 means a crypto-commodity, crypto-currency, or  
6 crypto-security.

7 (6) FEDERAL DIGITAL ASSET REGULATOR.—  
8 The term “Federal crypto regulator” means—

9 (A) the Commodity Futures Trading Com-  
10 mission, with respect to crypto-commodities;

11 (B) the Secretary of the Treasury, acting  
12 through the Financial Crimes Enforcement  
13 Network, with respect to crypto-currencies; and

14 (C) the Securities and Exchange Commis-  
15 sion, with respect to crypto-securities.

16 (7) RESERVE-BACKED STABLECOIN.—The term  
17 “reserve-backed stablecoin” means a digital asset  
18 that—

19 (A) is a representation of currency issued  
20 by the United States or a foreign government;

21 (B) rests on a blockchain or decentralized  
22 cryptographic ledger; and

23 (C) is fully backed by such currency on a  
24 one-to-one basis and fully collateralized in a  
25 correspondent banking account.

1           (8) SYNTHETIC STABLECOIN.—The term “syn-  
2           thetic stablecoin” means a digital asset, other than  
3           a reserve-backed stablecoin, that—

4                   (A) is stabilized against the value of a cur-  
5                   rency or other asset; and

6                   (B) rests on a blockchain or decentralized  
7                   cryptographic ledger.

8   **SEC. 3. ESTABLISHING AREAS OF REGULATORY OVER-**  
9                   **SIGHT FOR DIGITAL ASSETS.**

10          (a) CRYPTO-COMMODITIES.—The Commodity Fu-  
11          tures Trading Commission shall be the sole Government  
12          agency with the authority to regulate crypto-commodities.

13          (b) CRYPTO-CURRENCIES.—The Secretary of the  
14          Treasury, acting through the Financial Crimes Enforce-  
15          ment Network, shall be the sole Government agency with  
16          the authority to regulate crypto-currencies (other than  
17          synthetic stablecoins).

18          (c) CRYPTO-SECURITIES.—The Securities and Ex-  
19          change Commission shall be the sole Government agency  
20          with the authority to regulate crypto-securities and syn-  
21          thetic stablecoins.

1 **SEC. 4. AVAILABILITY OF INFORMATION TO THE PUBLIC**  
2 **ON REQUIREMENTS TO CREATE OR TRADE IN**  
3 **DIGITAL ASSETS.**

4 Each Federal digital asset regulator shall, with re-  
5 spect to digital assets regulated by the Federal digital  
6 asset regulator, make available to the public (and keep  
7 current) a list of all Federal licenses, certifications, or reg-  
8 istrations required to create or trade in digital assets.

9 **SEC. 5. FINCEN RULES FOR CRYPTO-CURRENCIES.**

10 Notwithstanding section 3(c), the Secretary of the  
11 Treasury, acting through the Financial Crimes Enforce-  
12 ment Network, shall issue rules to require each crypto-  
13 currency (including synthetic stablecoins) to allow for the  
14 tracing of transactions in the crypto-currency and persons  
15 engaging in such transactions in a manner similar to that  
16 required of financial institutions with respect to currency  
17 transactions under subchapter II of chapter 53 of title 31,  
18 United States Code.