

117TH CONGRESS
1ST SESSION

H. R. 1602

IN THE SENATE OF THE UNITED STATES

APRIL 22, 2021

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To direct the Commodity Futures Trading Commission and the Securities and Exchange Commission to jointly establish a digital asset working group, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Eliminate Barriers to
3 Innovation Act of 2021”.

4 **SEC. 2. WORKING GROUP TO SUPPORT INNOVATION WITH**
5 **RESPECT TO DIGITAL ASSETS.**

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

13 (b) MEMBERSHIP.—

14 (1) IN GENERAL.—The Working Group shall be
15 composed of members appointed in accordance with
16 paragraph (2).

17 (2) APPOINTMENT OF MEMBERS.—

18 (A) REPRESENTATIVES OF COMMISS-
19 SIONS.—The Securities and Exchange Commis-
20 sion and the Commodity Futures Trading Com-
21 mission shall each appoint an equal number of
22 employees of each such Commission to serve as
23 members of the Working Group.

24 (B) REPRESENTATIVES OF NONGOVERN-
25 MENTAL STAKEHOLDERS.—

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

11 (ii) REQUIRED MEMBERS.—The mem-
12 bers of the Working Group appointed
13 under clause (i) shall include at least one
14 representative from each of the following:

15 (I) Financial technology compa-
16 nies that provide products or services
17 involving digital assets.

18 (II) Financial firms under the ju-
19 risdiction of the Securities and Ex-
20 change Commission or the Commodity
21 Futures Trading Commission.

22 (III) Institutions or organizations
23 engaged in academic research or advo-
24 cacy relating to digital asset use.

1 (IV) Small businesses engaged in
2 financial technology.

3 (V) Investor protection organiza-
4 tions.

5 (VI) Institutions and organiza-
6 tions that support investment in his-
7 torically-underserved businesses.

8 (C) NO COMPENSATION FOR MEMBERS OF
9 THE WORKING GROUP.—

10 (i) FEDERAL EMPLOYEE MEMBERS.—

11 All members of the Working Group ap-
12 pointed under subparagraph (A) shall
13 serve without compensation in addition to
14 that received for their services as officers
15 or employees of the United States.

16 (ii) NON-FEDERAL MEMBERS.—All

17 members of the Working Group appointed
18 under subparagraph (B) shall serve with-
19 out compensation.

20 (c) REPORT.—

21 (1) IN GENERAL.—Not later than 1 year after
22 the date of the enactment of this section, the Work-
23 ing Group shall submit to the Securities and Ex-
24 change Commission, the Commodity Futures Trad-

1 ing Commission, and the relevant committees a re-
2 port that contains—

3 (A) an analysis of—

4 (i) the legal and regulatory framework
5 and related developments in the United
6 States relating to digital assets, includ-
7 ing—

8 (I) the impact that lack of clarity
9 in such framework has on primary
10 and secondary markets in digital as-
11 sets; and

12 (II) how the domestic legal and
13 regulatory regimes relating to digital
14 assets impact the competitive position
15 of the United States; and

16 (ii) developments in other countries
17 related to digital assets and identification
18 of how these developments impact the com-
19 petitive position of the United States; and

20 (B) recommendations—

21 (i) for the creation, maintenance, and
22 improvement of primary and secondary
23 markets in digital assets, including for im-
24 proving the fairness, orderliness, integrity,

1 efficiency, transparency, availability, and
2 efficacy of such markets;

3 (ii) for standards concerning custody,
4 private key management, cybersecurity,
5 and business continuity relating to digital
6 asset intermediaries; and

7 (iii) for best practices to—

8 (I) reduce fraud and manipula-
9 tion of digital assets in cash, lever-
10 aged, and derivatives markets;

11 (II) improve investor protections
12 for participants in such markets; and

13 (III) assist in compliance with
14 anti-money laundering and countering
15 the financing of terrorism obligations
16 under the Bank Secrecy Act.

17 (2) REPORT LIMITED TO SEC AND CFTC AU-
18 THORITIES.—The analysis and recommendations
19 provided under subparagraphs (A) and (B) of para-
20 graph (1) may only relate to the laws, regulations,
21 and related matters that are under the primary ju-
22 risdiction of the Securities and Exchange Commis-
23 sion or the Commodity Futures Trading Commis-
24 sion.

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

4 (e) TERMINATION.—

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

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

22 (f) DEFINITIONS.—In this section:

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

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

3 (B) chapter 2 of title I of Public Law 91–
4 508 (12 U.S.C. 1951 et seq.); and

5 (C) subchapter II of chapter 53 of title 31,
6 United States Code.

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

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

13 (A) the Committee on Financial Services
14 of the House of Representatives;

15 (B) the Committee on Banking, Housing,
16 and Urban Affairs of the Senate;

17 (C) the Committee on Agriculture of the
18 House of Representatives; and

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

