

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. RES. _____

Expressing support for blockchain technology and digital assets.

IN THE HOUSE OF REPRESENTATIVES

Mr. JOHNSON of South Dakota submitted the following resolution; which was referred to the Committee on _____

RESOLUTION

Expressing support for blockchain technology and digital assets.

Whereas entrepreneurs and innovators are building and deploying this next generation of the internet;

Whereas digital asset networks represent a new way for people to join together and cooperate with one another to undertake certain activities;

Whereas digital assets have the potential to be the foundational building blocks of these networks, aligning the economic incentive for individuals to cooperate with one another to achieve a common purpose;

Whereas the digital asset ecosystem has the potential to grow our economy and improve everyday lives of Americans by

facilitating collaboration through the use of technology to manage activities, allocate resources, and facilitate decisionmaking;

Whereas blockchain networks and the digital assets they empower provide creator control, enhance transparency, reduce transaction costs, and increase efficiency;

Whereas blockchain technology facilitates new types of network participation which businesses in the United States may utilize in innovative ways;

Whereas other digital asset companies are setting up their operations outside of the United States, where countries are establishing frameworks to embrace the potential of blockchain technology and digital assets and provide safeguards for consumers; and

Whereas digital assets, despite the purported anonymity, provide law enforcement with an exceptional tracing tool to identify illicit activity and bring criminals to justice: Now, therefore, be it

1 *Resolved*, That it is the sense of the House of Rep-
2 resentatives that—

3 (1) the process the Securities and Exchange
4 Commission uses to determine if a digital asset is of-
5 fered and sold pursuant to an investment contract is
6 not fit-for-purpose;

7 (2) the Securities and Exchange Commission's
8 current disclosure regime, intended for securities
9 issued by traditional public companies, does not ade-
10 quately capture the information and features of dig-

1 ital assets which are necessary for individuals to
2 make an informed purchasing decision;

3 (3) digital asset trading platforms and certain
4 intermediaries are primarily State regulated as
5 money transmission services, under rules which are
6 inadequate for the regulation of trading platforms;

7 (4) while the Commodity Futures Trading
8 Commission has existing enforcement authority over
9 digital commodity spot market transactions, neither
10 the Commodity Futures Trading Commission nor
11 the Securities and Exchange Commission has direct
12 regulatory authority over intermediaries in the non-
13 security digital asset, or digital commodity, spot
14 market;

15 (5) the Securities and Exchange Commission
16 and Commodity Futures Trading Commission must
17 receive direction from Congress to bring protections
18 seen in the current financial regulatory structure to
19 digital asset-related activities and intermediaries;

20 (6) Congress should enact a functional frame-
21 work tailored to the specific risks of different digital
22 asset-related activities and unique benefits of distrib-
23 uted ledger technology, distributed networks, and de-
24 centralized systems; and

1 (7) consumers and market participants will ben-
2 efit from a framework for digital assets consistent
3 with longstanding investor protections in securities
4 and commodities markets, yet tailored to the unique
5 benefits and risks of the digital asset ecosystem.