

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 9329
OFFERED BY MR. LYNCH OF MASSACHUSETTS**

Page 6, after line 20, insert the following (and re-designate the subsequent paragraphs accordingly):

1 “(4) DIGITAL ASSET AND ARTIFICIAL INTEL-
2 LIGENCE CONSIDERATIONS.—

3 “(A) DIGITAL ASSET MARKETS.—In con-
4 ducting the cost-benefit analysis required under
5 paragraphs (2) and (3) with respect to any pro-
6 posed or final regulation, the Commission shall
7 assess—

8 “(i) the impact of the regulation on
9 digital asset markets, including markets
10 for crypto assets, stablecoins, and digital
11 asset securities, whether the regulation di-
12 rectly governs such markets or may
13 foreseeably affect participants in such mar-
14 kets; and

15 “(ii) the extent to which the regula-
16 tion addresses, or fails to address, risks to
17 investors and market integrity arising from
18 digital asset markets, including risks from

1 fraud, manipulation, and the convergence
2 of banking and digital asset activities.

3 “(B) ARTIFICIAL INTELLIGENCE AND AL-
4 GORITHMIC MARKET ACTIVITY.—In conducting
5 the cost-benefit analysis required under para-
6 graphs (2) and (3) with respect to any proposed
7 or final regulation, the Commission shall as-
8 sess—

9 “(i) the impact of the regulation on
10 market participants that use artificial in-
11 telligence (‘AI’) or algorithmic systems in
12 trading, investment management, or disclo-
13 sure activities, whether the regulation di-
14 rectly governs such systems or may
15 foreseeably affect participants using such
16 systems; and

17 “(ii) the extent to which the regula-
18 tion addresses, or fails to address, risks to
19 investors and market integrity arising from
20 the use of artificial intelligence or algo-
21 rithmic systems, including risks from AI-
22 driven manipulation, AI-generated disclo-
23 sures, and the opacity of algorithmic deci-
24 sion-making in securities markets.

1 “(C) APPLICABILITY.—The requirements
2 of subparagraphs (A) and (B) shall apply with
3 respect to any proposed or final regulation
4 where the Commission determines, or where it
5 is reasonably foreseeable, that the regulation
6 would directly or indirectly affect digital asset
7 markets, digital asset securities, crypto assets,
8 or market participants that use artificial intel-
9 ligence or algorithmic systems in trading, in-
10 vestment management, or disclosure activities.”.

