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(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

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.

IN THE HOUSE OF REPRESENTATIVES

Mr. MCHENRY introduced the following bill; which was referred to the Committee on _____

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

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

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

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

10 (b) MEMBERSHIP.—

11 (1) IN GENERAL.—The Working Group shall be
12 composed of members appointed in accordance with
13 paragraph (2).

14 (2) APPOINTMENT OF MEMBERS.—

15 (A) REPRESENTATIVES OF COMMIS-
16 SIONS.—The Securities and Exchange Commis-
17 sion and the Commodity Futures Trading Com-
18 mission shall each appoint an equal number of
19 employees (which may include commissioners)
20 of each such Commission to serve as members
21 of the Working Group.

22 (B) REPRESENTATIVES OF NONGOVERN-
23 MENTAL STAKEHOLDERS.—

24 (i) APPOINTMENT.—The Securities
25 and Exchange Commission and the Com-
26 modity Futures Trading Commission shall

1 each appoint an equal number of non-
2 governmental representatives to serve as
3 members of the Working Group, except
4 that such number of members may not be
5 greater than or equal to the number of
6 members appointed under subparagraph
7 (A).

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

12 (I) Financial technology compa-
13 nies.

14 (II) Financial institutions.

15 (III) Institutions engaged in aca-
16 demic research.

17 (IV) Small businesses and entre-
18 preneurs.

19 (V) Investor protection organiza-
20 tions.

21 (VI) Institutions and organiza-
22 tions that support investment in his-
23 torically-underserved businesses.

24 (C) NO COMPENSATION FOR MEMBERS OF
25 THE WORKING GROUP.—

1 (i) FEDERAL EMPLOYEE MEMBERS.—

2 All members of the Working Group ap-
3 pointed under subparagraph (A) shall
4 serve without compensation in addition to
5 that received for their services as officers
6 or employees of the United States.

7 (ii) NON-FEDERAL MEMBERS.—All
8 members of the Working Group appointed
9 under subparagraph (B) shall serve with-
10 out compensation.

11 (c) REPORT.—Not later than 1 year after the date
12 of the enactment of this section, the Working Group shall
13 submit to the Securities and Exchange Commission, the
14 Commodity Futures Trading Commission, and the rel-
15 evant committees a report that contains—

16 (1) an analysis of—

17 (A) the regulatory framework and develop-
18 ments in the United States relating to digital
19 assets, including—

20 (i) the impact that a lack of clarity
21 has on such regulatory framework; and

22 (ii) how the domestic regulatory re-
23 gimes impact the competitive position of
24 the United States; and

1 (B) developments in other countries relat-
2 ing to digital assets and identification of how
3 the developments impact the competitive posi-
4 tion of the United States; and

5 (2) recommendations—

6 (A) for the creation, maintenance, and im-
7 provement of primary and secondary markets in
8 digital assets, including recommendations for
9 improving the fairness, orderliness, integrity, ef-
10 ficiency, transparency, availability, and efficacy
11 of such markets;

12 (B) for standards concerning custody, pri-
13 vate key management, cybersecurity, and busi-
14 ness continuity relating to digital asset inter-
15 mediaries; and

16 (C) for best practices to—

17 (i) reduce fraud and manipulation of
18 digital assets in cash, leveraged, and de-
19 rivatives markets;

20 (ii) improve customer protections for
21 participants in such markets; and

22 (iii) mitigate the use of digital assets
23 in terrorism and illicit finance.

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 one
12 year.

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

23 (f) DEFINITIONS.—In this section:

24 (1) HISTORICALLY-UNDERSERVED BUSI-
25 NESSES.—The term “historically-underserved busi-

1 nesses” means women-owned businesses, minority-
2 owned businesses, and rural businesses.

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

5 (A) the Committee on Financial Services
6 of the House of Representatives;

7 (B) the Committee on Banking, Housing,
8 and Urban Affairs of the Senate;

9 (C) the Committee on Agriculture of the
10 House of Representatives; and

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

13 (3) WORKING GROUP.—The term “Working
14 Group” means the working group established under
15 subsection (a).