

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 4763
OFFERED BY MR. FOSTER OF ILLINOIS**

Add at the end the following new title:

1 **TITLE VI—DIGITAL WALLET**
2 **LICENSING**

3 **SEC. 601. DIGITAL WALLET LICENSING.**

4 (a) DEFINITIONS.—In this section:

5 (1) COVERED ENTITY.—The term “covered en-
6 tity” means a business entity with its principal place
7 of business located in the United States for which
8 each employee and beneficial owner with operational
9 control over a Digital Wallet has been issued a
10 Crypto Driver’s License with respect to such Digital
11 Wallet.

12 (2) COVERED INDIVIDUAL.—The term “covered
13 individual” means an individual that is a citizen of
14 the United States, or meets other criteria as deter-
15 mined by the Director of FinCEN.

16 (3) CRYPTO DRIVER’S LICENSE.—The term
17 “Crypto Driver’s License” means a digital identifica-
18 tion document—

1 (A) that licenses the holder of such docu-
2 ment to apply for one or more Crypto License
3 Plates; and

4 (B) identifies the holder as a legally trace-
5 able person and, in the case of an individual, an
6 extraditable individual.

7 (4) CRYPTO LICENSE PLATE.—The term
8 “Crypto License Plate” means an identification
9 number issued by the Director of FinCEN to the
10 holder of a Crypto Driver’s License—

11 (A) that is issued through an application
12 programming interface to a person with a valid
13 Crypto Driver’s License;

14 (B) that represents the cryptographically-
15 obscured ownership of a Digital Wallet;

16 (C) that is recorded on a blockchain sys-
17 tem for each transaction from each such Digital
18 Wallet.

19 (5) DIGITAL WALLET.—The term “Digital Wal-
20 let” means a Payment Wallet or a Trading Wallet.

21 (6) FINCEN.—The term “FinCen” means the
22 Financial Crimes Enforcement Network established
23 under section 310 of title 31, United States Code.

24 (7) PAYMENT WALLET.—The term “Payment
25 Wallet” means an anonymous cryptographic con-

1 tainer used by a covered individual or a covered enti-
2 ty to make payments using permitted payment
3 stablecoins.

4 (8) TRADING WALLET.—The term “Trading
5 Wallet” means a cryptographic container used by a
6 covered individual or a covered entity to make pay-
7 ments using digital assets, where the identity of
8 such individual or entity is known only to Federal
9 regulators of such digital assets.

10 (9) SECURITIES ACT OF 1933 DEFINITIONS.—
11 The terms “digital asset”, “blockchain system”, and
12 “permitted payment stablecoin” have the meanings
13 given, respectively, in section 2(a) of the Securities
14 Act of 1933 (15 U.S.C. 77b(a)), as amended by this
15 Act.

16 (b) IN GENERAL.—It shall be illegal to offer or ac-
17 cept as payment any digital asset—

18 (1) using a Digital Wallet which has not been
19 licensed and certified under this section; or

20 (2) which does not have, with respect to digital
21 asset transactions entered into on or after the effec-
22 tive date of this section, publicly visible proof of a
23 continuous chain of custody among licensed partici-
24 pants in the blockchain system of such digital asset.

1 (e) LICENSE AND CERTIFICATION OF DIGITAL WAL-
2 LETS.—

3 (1) REQUIREMENTS.—The Director of FinCEN
4 shall establish—

5 (A) an online method for obtaining a
6 Crypto Driver’s License;

7 (B) standards for online submission of
8 Federal- or State-issued identification that is
9 compliant with the requirements of the REAL
10 ID Act of 2005 (Public Law 109–13) to obtain
11 the Crypto Driver’s License; and

12 (C) upon receipt of such license, an auto-
13 mated method for online registration and
14 issuance of a Crypto License Plate that is asso-
15 ciated with a unique Digital Wallet.

16 (d) CRYPTO DRIVER’S LICENSE.—

17 (1) APPLICANTS.—An applicant for a Crypto
18 Driver’s License shall submit an application to the
19 Director of FinCEN which shall include—

20 (A) documentation that the Digital Wallet
21 that is the subject of the application has not
22 been previously licensed; and

23 (B) such other information as determined
24 by the Director of FinCEN.

1 (2) USES.—A holder of a Crypto Driver’s Li-
2 cense—

3 (A) may apply for one or more Crypto Li-
4 cense Plate under this section;

5 (B) may request and receive notifications
6 of the deanonymization, revocation, or restric-
7 tion of such Crypto Driver’s License by the Di-
8 rector of FinCEN or a court of competent juris-
9 diction;

10 (C) shall be assigned a level of authoriza-
11 tion with respect to—

12 (i) digital asset transaction amounts
13 and volume;

14 (ii) jurisdictions of operation;

15 (iii) requirements relating to identi-
16 fication of persons with operational control
17 or beneficial ownership over a specific Dig-
18 ital Wallet that is authorized under a
19 Crypto License Plate.

20 (e) CRYPTO LICENSE PLATE.—

21 (1) APPLICANTS.—An applicant for a Crypto
22 License Plate shall submit an application to the Di-
23 rector of FinCEN which shall include—

1 (A) publicly verifiable, timestamped digital
2 proof that applicant holds a valid Crypto Driv-
3 er's License; and

4 (B) such other information as determined
5 by the Director of FinCEN.

6 (2) CERTIFICATION.—Before certifying a Dig-
7 ital Wallet under paragraph (1)(C), the Director of
8 FinCEN shall—

9 (A) determine whether the Digital Wallet
10 is a Payment Wallet or a Trading Wallet; and

11 (B) verify documentation provided under
12 subsection (d)(1)(A);

13 (3) ANONYMITY.—The Director of FinCEN
14 shall ensure that the identity of an applicant under
15 this subsection is cryptographically obscured in a
16 manner which is only decodable by the Director or
17 pursuant to an order by a court of competent juris-
18 diction.

19 (4) LIMITATIONS AND FEES.—

20 (A) NO LIMITATION.—A single applicant
21 may control an unlimited number of Digital
22 Wallets.

23 (B) FEES.—The Director of FinCEN may
24 charge a fee to certify multiple Digital Wallets
25 to a single applicant under this section.

1 (f) DEANONYMIZATION OF DIGITAL WALLETS.—

2 (1) COURT ORDER REQUIRED.—A Digital Wal-
3 let may only be deanonymized by order of a court
4 of competent jurisdiction pursuant to an investiga-
5 tion by the Director of FinCEN or another law en-
6 forcement agency.

7 (2) ACCESS BY MARKET REGULATORS.—Not-
8 withstanding paragraph (1), a Trading Wallet may
9 be deanonymized by a market regulator, including
10 the Securities and Exchange Commission and the
11 Commodity Futures Trading Commission.

12 (3) NOTIFICATION.—The holder of a Crypto Li-
13 cense Plate for a Digital Wallet that may be
14 deanonymized shall be notified, at the holder's re-
15 quest, not later than 6 months after the date on
16 which—

17 (A) an investigation described under para-
18 graph (1) has been completed; or

19 (B) a Trading Wallet is deanonymized by
20 a market regulator under paragraph (2).

21 (g) CRYPTO DRIVER'S LICENSE AND CRYPTO LI-
22 CENSE PLATE RESTRICTION OR REVOCATION.—

23 (1) IN GENERAL.—A Crypto Driver's License
24 or Crypto License Plate may be suspended or re-
25 voked by the following:

1 (A) The Director of FinCEN, for criminal
2 reasons.

3 (B) A Federal regulator of digital assets,
4 for abuse.

5 (2) APPEAL.—The holder of a Crypto Driver’s
6 License or Crypto License Plate that has been sus-
7 pended or revoked may submit an appeal of such
8 suspension or revocation to a court of competent ju-
9 risdiction. Such court shall reverse such suspension
10 or revocation if the holder shows by a preponderance
11 of evidence that the action leading to such suspen-
12 sion or revocation was not intentional and resulted
13 from a bona fide error.

14 (3) PUBLICATION.—The Director of FinCEN
15 shall publish a daily list of suspended or revoked
16 Crypto License Plates that does not identify the
17 holder of such Crypto Driver’s License.

18 (4) EFFECT.—Revocation of a Crypto License
19 Plate does not have an effect of its use in prior dig-
20 ital asset transactions entered into before the date
21 of such revocation.

22 (h) CRIMINAL PENALTIES.—In any prosecution of a
23 person in connection with a transaction of digital assets
24 made between one or more Digital Wallets for which a
25 Crypto License Plate has not been issued, there shall be

1 a rebuttable presumption that such transaction involved
2 money laundering.

3 (i) FOREIGN APPLICANTS.—

4 (1) NON-CITIZENS.—The Director of FinCEN
5 may issue rules allowing an individual who is not a
6 citizen of the United States to apply for a Crypto
7 Driver’s License if such an individual provides suffi-
8 cient identification, including biometric data to prove
9 the individual is a unique legally traceable person.

10 (2) FOREIGN REGULATORY JURISDICTIONS.—

11 The Director of FinCEN and the Secretary of the
12 Treasury may jointly issue rules to allow a business
13 entity with its principal place of business located
14 outside of the United States to apply for a Crypto
15 Driver’s License if—

16 (A) the jurisdiction in which business enti-
17 ty is located has a judicial system that includes
18 extradition procedures and is approved by the
19 Director and the Secretary;

20 (B) the jurisdiction in which business enti-
21 ty is located has an identification system that
22 is acceptable to such jurisdiction and the
23 United States Government, where such system
24 prevents such business entity from holding mul-

1 tiple Crypto Driver’s Licenses under multiple
2 identities in multiple jurisdictions; and

3 (C) with respect to Crypto Driver’s Li-
4 censes for Trading Wallets, such business entity
5 has unique identifier that is inoperable across
6 foreign countries.

7 (j) ISSUANCE.—The Director of FinCEN shall begin
8 to issue Crypto Driver’s Licenses and Crypto License
9 Plates not later than 10 months after the date of the en-
10 actment of this section.

11 (k) APPLICABILITY.—This section shall apply with
12 respect to digital asset transactions executed on or after
13 18 months the date of the enactment of this Act.

