

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

Strike all after section 1 and insert the following
(and conform the table of contents accordingly):

1 **SEC. 2. SECURITIES AND EXCHANGE COMMISSION JURIS-**
2 **DICTION OVER DIGITAL ASSETS AND EX-**
3 **CHANGES HANDLING DIGITAL ASSETS.**

4 (a) TREATMENT OF DIGITAL ASSETS.—All digital as-
5 sets, and all derivatives based on digital assets, shall be
6 considered securities and subject to all the authority and
7 jurisdiction of the Securities and Exchange Commission.

8 (b) TREATMENT OF EXCHANGES HANDLING DIGITAL
9 ASSETS.—All exchanges providing for the sale, transfer,
10 or exchange of any digital asset or derivative of a digital
11 asset shall be considered a securities exchange and subject
12 to the full jurisdiction of the Securities and Exchange
13 Commission.

14 (c) DIGITAL ASSET DEFINED.—In this section, the
15 term “digital asset” means any fungible digital represen-
16 tation of value that can be exclusively possessed and trans-
17 ferred, person to person, without necessary reliance on an

- 1 intermediary, and is recorded on a cryptographically se-
- 2 cured public distributed ledger.

