

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. _____

To establish an Independent Financial Technology Working Group to Combat
Terrorism and Illicit Financing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To establish an Independent Financial Technology Working
Group to Combat Terrorism and Illicit Financing, 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 “Financial Technology
5 Protection Act of 2023”.

1 **SEC. 2. INDEPENDENT FINANCIAL TECHNOLOGY WORKING**
2 **GROUP TO COMBAT TERRORISM AND ILLICIT**
3 **FINANCING.**

4 (a) ESTABLISHMENT.—There is established the Inde-
5 pendent Financial Technology Working Group to Combat
6 Terrorism and Illicit Financing (in this section referred
7 to as the “Working Group”), which shall consist of—

8 (1) the Secretary of the Treasury, acting
9 through the Under Secretary for Terrorism and Fi-
10 nancial Intelligence, who shall serve as the chair of
11 the Working Group;

12 (2) a senior-level representative from each of—

13 (A) the Department of Justice;

14 (B) the United States Secret Service;

15 (C) the Financial Crimes Enforcement
16 Network;

17 (D) the Federal Bureau of Investigation;

18 and

19 (E) the Department of State; and

20 (3) 5 individuals appointed by the Under Sec-
21 retary for Terrorism and Financial Intelligence to
22 represent—

23 (A) financial technology companies;

24 (B) financial institutions; and

25 (C) institutions or organizations engaged
26 in research.

1 (b) DUTIES.—The Working Group shall—

2 (1) conduct independent research on terrorist
3 and illicit use of new financial technologies, includ-
4 ing digital assets; and

5 (2) develop legislative and regulatory proposals
6 to improve anti-money laundering, counter-terrorist,
7 and other counter-illicit financing efforts in the
8 United States.

9 (c) REPORTS.—

10 (1) IN GENERAL.—Not later than one year
11 after the date of the enactment of this Act, and an-
12 nually for the 3 years thereafter, the Working Group
13 shall submit to the Secretary of the Treasury, the
14 heads of each agency represented in the Working
15 Group pursuant to subsection (a)(2), and the appro-
16 priate congressional committees a report containing
17 the findings and determinations made by the Work-
18 ing Group in the previous year and any legislative
19 and regulatory proposals developed by the Working
20 Group.

21 (2) FINAL REPORT.—Before the date on which
22 the Working Group terminates under subsection
23 (e)(1), the Working Group shall submit to the ap-
24 propriate congressional committees a final report de-

1 tailing the findings, recommendations, and activities
2 of the Working Group.

3 (d) TRAVEL EXPENSES.—Members of the Working
4 Group shall serve without pay, but shall receive travel ex-
5 penses in accordance with sections 5702 and 5703 of title
6 5, United States Code.

7 (e) SUNSET.—

8 (1) IN GENERAL.—The Working Group shall,
9 subject to paragraph (3), terminate on the date that
10 is 4 years after the date of the enactment of this
11 Act.

12 (2) EXPIRATION AND RETURN OF APPRO-
13 PRIATED FUNDS.—On the date on which the Work-
14 ing Group terminates under paragraph (1)—

15 (A) all authorities granted to the Working
16 Group under this section shall expire, subject to
17 paragraph (3); and

18 (B) any funds appropriated for the Work-
19 ing Group that are available for obligation as of
20 that date shall be returned to the Treasury.

21 (3) AUTHORITY TO WIND UP ACTIVITIES.—The
22 termination of the Working Group under paragraph
23 (1) and the expiration of authorities under para-
24 graph (2) shall not affect any investigations, re-
25 search, or other activities of the Working Group on-

1 going as of the date on which the Working Group
2 terminates under paragraph (1). Such investigations,
3 research, and activities may continue until their
4 completion.

5 **SEC. 3. PREVENTING ROGUE AND FOREIGN ACTORS FROM**
6 **EVADING SANCTIONS.**

7 (a) REPORT AND STRATEGY WITH RESPECT TO DIG-
8 ITAL ASSETS AND OTHER RELATED EMERGING TECH-
9 NOLOGIES.—

10 (1) IN GENERAL.—Not later than 180 days
11 after the date of the enactment of this Act, the
12 President, acting through the Secretary of the
13 Treasury and in consultation with the head of each
14 agency represented on the Independent Financial
15 Technology Working Group to Combat Terrorism
16 and Illicit Financing pursuant to section 2(a)(2),
17 shall submit to the appropriate congressional com-
18 mittees a report that describes—

19 (A) the potential uses of digital assets and
20 other related emerging technologies by states,
21 non-state actors, and foreign terrorist organiza-
22 tions to evade sanctions, finance terrorism, or
23 launder monetary instruments, and threaten
24 United States national security; and

1 (B) a strategy how the United States will
2 mitigate and prevent the illicit use of digital as-
3 sets and other related emerging technologies.

4 (2) FORM OF REPORT; PUBLIC AVAILABILITY.—

5 (A) IN GENERAL.—The report required by
6 paragraph (1) shall be submitted in unclassified
7 form, but may include a classified annex.

8 (B) PUBLIC AVAILABILITY.—The unclassi-
9 fied portion of each report required by para-
10 graph (1) shall be made available to the public
11 and posted on a publicly accessible website of
12 the Department of Treasury—

13 (i) in precompressed, easily
14 downloadable versions, in all appropriate
15 formats; and

16 (ii) in machine-readable format, if ap-
17 plicable.

18 (3) SOURCES OF INFORMATION.—In preparing
19 the reports required by paragraph (1), the President
20 may utilize any credible publication, database, or
21 web-based resource, and any credible information
22 compiled by any government agency, nongovern-
23 mental organization, or other entity that is made
24 available to the President.

1 (b) BRIEFING.—Not later than 2 years after the date
2 of the enactment of this Act, the Secretary of the Treasury
3 shall brief the appropriate congressional committees on
4 the implementation of the strategy required by subsection
5 (a)(2).

6 **SEC. 4. DEFINITIONS.**

7 In this Act:

8 (1) APPROPRIATE CONGRESSIONAL COMMIT-
9 TEES.—The term “appropriate congressional com-
10 mittees” means—

11 (A) the Committee on Banking, Housing,
12 and Urban Affairs, the Committee on Home-
13 land Security and Governmental Affairs, the
14 Committee on the Judiciary, the Select Com-
15 mittee on Intelligence, and the Committee on
16 Foreign Relations of the Senate; and

17 (B) the Committee on Financial Services,
18 the Committee on Homeland Security, the Com-
19 mittee on the Judiciary, the Permanent Select
20 Committee on Intelligence, and the Committee
21 on Foreign Affairs of the House of Representa-
22 tives.

23 (2) DIGITAL ASSET.—The term “digital asset”
24 means any digital representation of value that is re-

1 corded on a cryptographically secured digital ledger
2 or any similar technology.

3 (3) FOREIGN TERRORIST ORGANIZATION.—The
4 term “foreign terrorist organization” means an or-
5 ganization that is designated as a foreign terrorist
6 organization under section 219 of the Immigration
7 and Nationality Act (8 U.S.C. 1189).

8 (4) ILLICIT USE.—The term “illicit use” in-
9 cludes fraud, darknet marketplace transactions,
10 money laundering, the purchase and sale of illicit
11 goods, sanctions evasion, theft of funds, funding of
12 illegal activities, and transactions related to child
13 sexual abuse material.

14 (5) TERRORIST.—The term “terrorist” includes
15 a person carrying out domestic terrorism or inter-
16 national terrorism (as such terms are defined, re-
17 spectively, under section 2331 of title 18, United
18 States Code).