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(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R. _____

To require the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the National Credit Union Administration Board to jointly submit a report on trends in the use of blockchain technology to tokenize traditional assets, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To require the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the National Credit Union Administration Board to jointly submit a report on trends in the use of blockchain technology to tokenize traditional assets, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Tokenization Report
3 Act of 2024”.

4 **SEC. 2. REPORT ON TRENDS IN TOKENIZATION OF TRADI-**
5 **TIONAL ASSETS USING BLOCKCHAIN TECH-**
6 **NOLOGY.**

7 (a) REPORT REQUIRED.—Not later than 180 days
8 after the date of the enactment of this Act, the Board
9 of Governors of the Federal Reserve System, the Federal
10 Deposit Insurance Corporation, the Comptroller of the
11 Currency, and the National Credit Union Administration
12 Board shall jointly submit to the Committee on Financial
13 Services of the House of Representatives and the Com-
14 mittee on Banking, Housing, and Urban Affairs of the
15 Senate a report on trends in the use of blockchain tech-
16 nology to tokenize traditional assets.

17 (b) CONTENTS OF REPORT.—The report required
18 under subsection (a) shall include the following elements:

19 (1) The potential benefits and risks of utilizing
20 blockchain networks for traditional asset
21 tokenization, including the impacts to settlement ef-
22 ficiency, cost, counterparty risk, and any other im-
23 pacts.

24 (2) The critical differences between
25 permissioned and permissionless blockchain networks
26 for traditional asset tokenization.

1 (3) The current state of blockchain interoper-
2 ability and integration capabilities across different
3 networks and platforms, and the effects on wide-
4 spread adoption of such capabilities.

5 (4) Emerging global regulatory approaches to
6 tokenized traditional assets, including differential
7 capital requirements based on underlying technology.

8 (5) Whether additional guidance or rules are
9 necessary to facilitate traditional asset tokenization.

10 (6) How control features of blockchain net-
11 works impact the ability of tokenized traditional as-
12 sets to retain their existing risk profile.

13 (7) A summary of the legal permissibility and
14 regulatory requirements of the use of blockchain
15 technology to tokenize traditional assets.

16 (c) PUBLIC INPUT.—The Board of Governors of the
17 Federal Reserve System, the Federal Deposit Insurance
18 Corporation, the Comptroller of the Currency, and the Na-
19 tional Credit Union Administration Board shall collect
20 public input to inform the drafting of the report required
21 under subsection (a).

22 (d) BLOCKCHAIN DEFINED.—In this section, the
23 term “blockchain” means any technology where data is—

- 1 (1) shared across a network to create a ledger
- 2 of verified transactions or information among net-
- 3 work participants;
- 4 (2) linked using cryptography to maintain the
- 5 integrity of the ledger and to execute other func-
- 6 tions; and
- 7 (3) distributed among network participants in
- 8 an automated fashion to concurrently update net-
- 9 work participants on the state of the ledger and any
- 10 other functions.