

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 2969  
OFFERED BY MR. NUNN OF IOWA**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Financial Technology  
3 Protection Act of 2023”.

**4 SEC. 2. INDEPENDENT FINANCIAL TECHNOLOGY WORKING  
5 GROUP TO COMBAT TERRORISM AND ILLICIT  
6 FINANCING.**

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

12 (1) The Secretary of the Treasury, acting  
13 through the Under Secretary for Terrorism and Fi-  
14 nancial Intelligence, who shall serve as the chair of  
15 the Working Group.

16 (2) A senior-level representative from each of  
17 the following:

1 (A) Each of the following components of  
2 the Department of the Treasury:

3 (i) The Financial Crimes Enforcement  
4 Network.

5 (ii) The Internal Revenue Service.

6 (iii) The Office of Foreign Assets  
7 Control.

8 (B) The Department of Justice and each  
9 of the following components of the Department:

10 (i) The Federal Bureau of Investiga-  
11 tion.

12 (ii) The Drug Enforcement Adminis-  
13 tration.

14 (C) The Department of Homeland Security  
15 and the United States Secret Service.

16 (D) The Department of State.

17 (E) The Central Intelligence Agency.

18 (3) Five individuals appointed by the Under  
19 Secretary for Terrorism and Financial Intelligence  
20 to represent the following:

21 (A) Financial technology companies.

22 (B) Blockchain intelligence companies.

23 (C) Financial institutions.

24 (D) Institutions or organizations engaged  
25 in research.

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

2 (1) conduct research on terrorist and illicit use  
3 of new financial technologies, including digital as-  
4 sets; 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, foreign terrorist organiza-  
22 tions, and other terrorist groups to evade sanc-  
23 tions, finance terrorism, or launder monetary  
24 instruments, and threaten the national security  
25 of the United States; 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 Finance,  
13 the Committee on Foreign Relations, the Com-  
14 mittee on Homeland Security and Govern-  
15 mental Affairs, the Committee on the Judiciary,  
16 and the Select Committee on Intelligence of the  
17 Senate; and

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

24 (2) BLOCKCHAIN INTELLIGENCE COMPANY.—  
25 The term “blockchain intelligence company” means

1 any business providing software, research, or other  
2 services (such as blockchain tracing tools,  
3 geofencing, transaction screening, the collection of  
4 business data, and sanctions screening) that—

5 (A) support private and public sector in-  
6 vestigations and risk management activities;  
7 and

8 (B) involve cryptographically secured dis-  
9 tributed ledgers or any similar technology or  
10 implementation.

11 (3) DIGITAL ASSET.—The term “digital asset”  
12 means any digital representation of value that is re-  
13 corded on a cryptographically secured digital ledger  
14 or any similar technology.

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

20 (5) ILLICIT USE.—The term “illicit use” in-  
21 cludes fraud, darknet marketplace transactions,  
22 money laundering, the purchase and sale of illicit  
23 goods, sanctions evasion, theft of funds, funding of  
24 illegal activities, transactions related to child sexual  
25 abuse material, and any other financial transaction



1 involving the proceeds of specified unlawful activity  
2 (as defined in section 1956(c) of title 18, United  
3 States Code).

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

