

118TH CONGRESS
1ST SESSION

H. R. 2969

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2023

Mr. NUNN of Iowa (for himself and Mr. HIMES) introduced the following bill;
which was referred to the Committee on Financial Services

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”.

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

9 (a) ESTABLISHMENT.—There is established the Inde-
10 pendent Financial Technology Working Group to Combat

1 Terrorism and Illicit Financing (in this section referred
2 to as the “Working Group”), which shall consist of the
3 following:

4 (1) The Secretary of the Treasury, acting
5 through the Under Secretary for Terrorism and Fi-
6 nancial Intelligence, who shall serve as the chair of
7 the Working Group.

8 (2) A senior-level representative from each of
9 the following:

10 (A) Each of the following components of
11 the Department of the Treasury:

12 (i) The Financial Crimes Enforcement
13 Network.

14 (ii) The Internal Revenue Service.

15 (iii) The Office of Foreign Assets
16 Control.

17 (B) The Department of Justice and each
18 of the following components of the Department:

19 (i) The Federal Bureau of Investiga-
20 tion.

21 (ii) The Drug Enforcement Adminis-
22 tration.

23 (C) The Department of Homeland Security
24 and the United States Secret Service.

25 (D) The Department of State.

1 (E) The Central Intelligence Agency.

2 (3) Five individuals appointed by the Under
3 Secretary for Terrorism and Financial Intelligence
4 to represent the following:

5 (A) Financial technology companies.

6 (B) Blockchain intelligence companies.

7 (C) Financial institutions.

8 (D) Institutions or organizations engaged
9 in research.

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

11 (1) conduct research on terrorist and illicit use
12 of new financial technologies, including digital as-
13 sets; and

14 (2) develop legislative and regulatory proposals
15 to improve anti-money laundering, counter-terrorist,
16 and other counter-illicit financing efforts in the
17 United States.

18 (c) REPORTS.—

19 (1) IN GENERAL.—Not later than one year
20 after the date of the enactment of this Act, and an-
21 nually for the 3 years thereafter, the Working Group
22 shall submit to the Secretary of the Treasury, the
23 heads of each agency represented in the Working
24 Group pursuant to subsection (a)(2), and the appro-
25 priate congressional committees a report containing

1 the findings and determinations made by the Work-
2 ing Group in the previous year and any legislative
3 and regulatory proposals developed by the Working
4 Group.

5 (2) FINAL REPORT.—Before the date on which
6 the Working Group terminates under subsection
7 (e)(1), the Working Group shall submit to the ap-
8 propriate congressional committees a final report de-
9 tailing the findings, recommendations, and activities
10 of the Working Group.

11 (d) TRAVEL EXPENSES.—Members of the Working
12 Group shall serve without pay, but shall receive travel ex-
13 penses in accordance with sections 5702 and 5703 of title
14 5, United States Code.

15 (e) SUNSET.—

16 (1) IN GENERAL.—The Working Group shall,
17 subject to paragraph (3), terminate on the date that
18 is 4 years after the date of the enactment of this
19 Act.

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

23 (A) all authorities granted to the Working
24 Group under this section shall expire, subject to
25 paragraph (3); and

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

4 (3) **AUTHORITY TO WIND UP ACTIVITIES.**—The
5 termination of the Working Group under paragraph
6 (1) and the expiration of authorities under para-
7 graph (2) shall not affect any investigations, re-
8 search, or other activities of the Working Group on-
9 going as of the date on which the Working Group
10 terminates under paragraph (1). Such investigations,
11 research, and activities may continue until their
12 completion.

13 **SEC. 3. PREVENTING ROGUE AND FOREIGN ACTORS FROM**
14 **EVADING SANCTIONS.**

15 (a) **REPORT AND STRATEGY WITH RESPECT TO DIG-**
16 **ITAL ASSETS AND OTHER RELATED EMERGING TECH-**
17 **NOLOGIES.**—

18 (1) **IN GENERAL.**—Not later than 180 days
19 after the date of the enactment of this Act, the
20 President, acting through the Secretary of the
21 Treasury and in consultation with the head of each
22 agency represented on the Independent Financial
23 Technology Working Group to Combat Terrorism
24 and Illicit Financing pursuant to section 2(a)(2),

1 shall submit to the appropriate congressional com-
2 mittees a report that describes—

3 (A) the potential uses of digital assets and
4 other related emerging technologies by States,
5 non-State actors, foreign terrorist organiza-
6 tions, and other terrorist groups to evade sanc-
7 tions, finance terrorism, or launder monetary
8 instruments, and threaten United States na-
9 tional security; and

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

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

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

17 (B) PUBLIC AVAILABILITY.—The unclassi-
18 fied portion of each report required by para-
19 graph (1) shall be made available to the public
20 and posted on a publicly accessible website of
21 the Department of Treasury—

22 (i) in precompressed, easily
23 downloadable versions, in all appropriate
24 formats; and

1 (ii) in machine-readable format, if ap-
2 plicable.

3 (3) SOURCES OF INFORMATION.—In preparing
4 the reports required by paragraph (1), the President
5 may utilize any credible publication, database, or
6 web-based resource, and any credible information
7 compiled by any government agency, nongovern-
8 mental organization, or other entity that is made
9 available to the President.

10 (b) BRIEFING.—Not later than 2 years after the date
11 of the enactment of this Act, the Secretary of the Treasury
12 shall brief the appropriate congressional committees on
13 the implementation of the strategy required by subsection
14 (a)(2).

15 **SEC. 4. DEFINITIONS.**

16 In this Act:

17 (1) APPROPRIATE CONGRESSIONAL COMMIT-
18 TEES.—The term “appropriate congressional com-
19 mittees” means—

20 (A) the Committee on Banking, Housing,
21 and Urban Affairs, the Committee on Finance,
22 the Committee on Foreign Relations, the Com-
23 mittee on Homeland Security and Govern-
24 mental Affairs, the Committee on the Judiciary,

1 and the Select Committee on Intelligence of the
2 Senate; and

3 (B) the Committee on Financial Services,
4 the Committee on Foreign Affairs, the Com-
5 mittee on Homeland Security, the Committee
6 on the Judiciary, the Committee on Way and
7 Means, and the Permanent Select Committee
8 on Intelligence of the House of Representatives.

9 (2) BLOCKCHAIN INTELLIGENCE COMPANY.—

10 The term “blockchain intelligence company” means
11 any business providing software, research, or other
12 services (such as blockchain tracing tools,
13 geofencing, transaction screening, the collection of
14 business data, and sanctions screening) that—

15 (A) support private and public sector in-
16 vestigations and risk management activities;
17 and

18 (B) involve cryptographically secured dis-
19 tributed ledgers or any similar technology or
20 implementation.

21 (3) DIGITAL ASSET.—The term “digital asset”
22 means any digital representation of value that is re-
23 corded on a cryptographically secured digital ledger
24 or any similar technology.

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

6 (5) ILLICIT USE.—The term “illicit use” in-
7 cludes fraud, darknet marketplace transactions,
8 money laundering, the purchase and sale of illicit
9 goods, sanctions evasion, theft of funds, funding of
10 illegal activities, transactions related to child sexual
11 abuse material, and any other financial transaction
12 involving the proceeds of specified unlawful activity
13 (as defined in section 1956(c) of title 18, United
14 States Code).

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

○