

[DISCUSSION DRAFT]

118TH CONGRESS
2^D SESSION

H. R. _____

To establish an information-sharing pilot program to combat the illicit use
of digital assets.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To establish an information-sharing pilot program to combat
the illicit use of digital assets.

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 [“_____ Act
5 of 2024”].

6 **SEC. 2. INFORMATION-SHARING PILOT PROGRAM TO COM-**
7 **BAT ILLICIT USE OF DIGITAL ASSETS.**

8 (a) DEFINITIONS.—In this section:

1 (1) COVERED AGENCY.—The term “covered
2 agency” means—

3 (A) the Financial Crimes Enforcement
4 Network;

5 (B) the Department of Justice, including
6 the Federal Bureau of Investigation and the
7 Drug Enforcement Administration;

8 (C) the Department of Homeland Security;
9 and

10 (D) the Internal Revenue Service.

11 (2) DIGITAL ASSET.—The term “digital asset”
12 means any digital representation of value which is
13 recorded on a cryptographically secured distributed
14 ledger.

15 (3) DIGITAL ASSETS INFRASTRUCTURE-RE-
16 LATED THREAT.—The term “digital assets infra-
17 structure-related threat” means a cybersecurity, sys-
18 tem management, operational, economic, or financial
19 threat to or from a cryptographically secured distrib-
20 uted ledger.

21 (4) DESIGNATED PRIVATE SECTOR ENTITY.—
22 The term “designated private sector entity” means
23 a private sector entity designated under subsection
24 (c).

1 (5) DIRECTOR.—The term “Director” means
2 the Director of the Financial Crimes Enforcement
3 Network.

4 (6) ILLICIT FINANCE VIOLATION.—The term
5 “illicit finance violation” means a the illicit use of
6 digital assets.

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

16 (8) MONEY SERVICES BUSINESS.—The term
17 “money services business” has the meaning given
18 the term in section 1010.100 of title 31, Code of
19 Federal Regulations, or any successor regulation.

20 (9) SECRETARY.—The term “Secretary” means
21 the Secretary of the Treasury, acting through the
22 Director.

23 (b) ESTABLISHMENT OF PROGRAM.—The Secretary
24 shall establish a pilot program under which covered agen-

1 cies and designated private sector entities securely share
2 information about—

3 (1) potential illicit finance violations and
4 threats and emerging risks relating to such viola-
5 tions; and

6 (2) digital assets infrastructure-related threats.

7 (c) DESIGNATION OF PRIVATE SECTOR ENTITIES.—

8 (1) REQUIRED DESIGNATION.—

9 (A) INITIAL DESIGNATION.—Not later
10 than 90 days after the date of enactment of
11 this Act, the Secretary shall designate 20 pri-
12 vate sector entities from the digital asset indus-
13 try (of which 10 such entities shall be money
14 services businesses) to participate in the pilot
15 program established under subsection (b).

16 (B) BIENNIAL REVIEW.—Not less fre-
17 quently than annually, the Secretary shall re-
18 view and, as appropriate, replace the private
19 sector entities designated under this paragraph.

20 (d) INFORMATION SHARING WITH PRIVATE SECTOR
21 ENTITIES.—A covered agency that initiates an investiga-
22 tion into a potential illicit finance violation or digital as-
23 sets infrastructure-related threat may share with any des-
24 igned private sector entity such information about the

1 investigation, threat, or emerging risk as the covered agen-
2 cy determines appropriate.

3 (e) USE OF INFORMATION BY PRIVATE SECTOR EN-
4 TITIES.—Information received by a designated private sec-
5 tor entity under this section may not be used for any pur-
6 pose other than identifying and reporting on activities that
7 may involve illicit finance violations or digital assets infra-
8 structure-related threats.

9 (f) MEANS OF SHARING INFORMATION.—The covered
10 agencies and designated private sector entities may share
11 information about potential illicit finance violations or dig-
12 ital assets infrastructure-related threats with each other—

13 (1) through a portal established by the Sec-
14 retary or a similar mechanism determined appro-
15 priate by the Secretary;

16 (2) through secure email; or

17 (3) at virtual monthly meetings, which shall be
18 facilitated by the Secretary.

19 (g) LIMITATION ON LIABILITY.—A designated pri-
20 vate sector entity that transmits, receives, or shares infor-
21 mation for the purposes of identifying and reporting ac-
22 tivities that may constitute illicit finance violations or dig-
23 ital assets infrastructure-related threats shall not be liable
24 to any person under any law or regulation of the United
25 States, any constitution, law, or regulation of any State

1 or political subdivision thereof, or under any contract or
2 other legally enforceable agreement (including any arbitra-
3 tion agreement), for such disclosure or for any failure to
4 provide notice of such disclosure to the person who is the
5 subject of such disclosure, or any other person identified
6 in the disclosure.

7 (h) VOLUNTARY PARTICIPATION.—Participation by a
8 designated private sector entity in the pilot program estab-
9 lished under subsection (b), including sharing of informa-
10 tion regarding potential illicit finance violations or digital
11 assets infrastructure-related threats, shall be voluntary.

12 (i) SUNSET.—The pilot program established under
13 subsection (b) shall terminate on the date that is 5 years
14 after the date of enactment of this Act.