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(Original Signature of Member)

118TH CONGRESS  
1ST SESSION

**H. R.**

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

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IN THE HOUSE OF REPRESENTATIVES

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

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**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 Undersecretary for Terrorism and Fi-  
10 nancial Crimes, who shall serve as the chair of the  
11 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 (E) the Department of State;

19 (F) the Drug Enforcement Administration;

20 (G) the Internal Revenue Service;

21 (H) the Department of Homeland Secu-  
22 rity;

23 (I) the Office of Foreign Assets Control;

24 and

25 (J) the Central Intelligence Agency; and

1           (3) 5 individuals appointed by the Undersecre-  
2           tary for Terrorism and Financial Crimes to rep-  
3           resent—

4                   (A) financial technology companies;

5                   (B) financial institutions;

6                   (C) institutions or organizations engaged  
7           in research; and

8                   (D) blockchain intelligence companies.

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

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

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

17           (c) REPORTS.—

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

1       ing Group in the previous year and any legislative  
2       and regulatory proposals developed by the Working  
3       Group.

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

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

14       (e) SUNSET.—

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

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

22           (A) all authorities granted to the Working  
23      Group under this section shall expire, subject to  
24      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, and other terrorist organiza-  
6 tions to evade sanctions, finance terrorism, or  
7 launder monetary instruments, and threaten  
8 United States national security; and

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

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

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

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

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

24 (ii) in machine-readable format, if ap-  
25 plicable.

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

8           (b) BRIEFING.—Not later than 2 years after the date  
9           of the enactment of this Act, the Secretary of the Treasury  
10          shall brief the appropriate congressional committees on  
11          the implementation of the strategy required by subsection  
12          (a)(1)(B).

13       **SEC. 4. DEFINITIONS.**

14          In this Act:

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

18                       (A) the Committee on Banking, Housing,  
19                       and Urban Affairs, the Committee on Finance,  
20                       the Committee on Homeland Security and Gov-  
21                       ernmental Affairs, the Committee on the Judi-  
22                       ciary, the Select Committee on Intelligence, and  
23                       the Committee on Foreign Relations of the Sen-  
24                       ate; and

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

7 (2) BLOCKCHAIN INTELLIGENCE COMPANY.—  
8 The term “blockchain intelligence company” means  
9 any business providing software, research, or other  
10 services (including blockchain tracing tools,  
11 geofencing, transaction screening, the collection of  
12 business data, and sanctions screening) which sup-  
13 ports private and public sector investigations and  
14 risk management activities involving cryptographi-  
15 cally secured distributed ledgers or any similar tech-  
16 nology or implementation.

17 (3) DIGITAL ASSET.—The term “digital asset”  
18 means any digital representation of value that is re-  
19 corded on a cryptographically secured digital ledger  
20 or any similar technology.

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



1           (5) **ILLICIT USE.**—The term “illicit use” in-  
2           cludes fraud, darknet marketplace transactions,  
3           money laundering, the purchase and sale of illicit  
4           goods, sanctions evasion, theft of funds, funding of  
5           illegal activities, transactions related to child sexual  
6           abuse material, and specified unlawful activity (as  
7           defined under section 1956(c) of title 18, United  
8           States Code.)

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