

**Suspend the Rules and Pass the Bill, H.R. 2969, with An Amendment**

**(The amendment strikes all after the enacting clause and inserts a new text)**

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.

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## 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

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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 the  
8 following:

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

13 (2) A senior-level representative from each of  
14 the following:

15 (A) Each of the following components of  
16 the Department of the Treasury:

17 (i) The Financial Crimes Enforcement  
18 Network.

19 (ii) The Internal Revenue Service.

20 (iii) The Office of Foreign Assets  
21 Control.

22 (B) The Department of Justice and each  
23 of the following components of the Department:

24 (i) The Federal Bureau of Investiga-  
25 tion.

1 (ii) The Drug Enforcement Adminis-  
2 tration.

3 (C) The Department of Homeland Security  
4 and the United States Secret Service.

5 (D) The Department of State.

6 (E) The Central Intelligence Agency.

7 (3) Five individuals appointed by the Under  
8 Secretary for Terrorism and Financial Intelligence  
9 to represent the following:

10 (A) Financial technology companies.

11 (B) Blockchain intelligence companies.

12 (C) Financial institutions.

13 (D) Institutions or organizations engaged  
14 in research.

15 (E) Institutions or organizations focused  
16 on individual privacy and civil liberties.

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

18 (1) conduct research on terrorist and illicit use  
19 of new financial technologies, including digital as-  
20 sets; and

21 (2) develop legislative and regulatory proposals  
22 to improve anti-money laundering, counter-terrorist,  
23 and other counter-illicit financing efforts in the  
24 United States.

25 (c) REPORTS.—

1           (1) IN GENERAL.—Not later than one year  
2           after the date of the enactment of this Act, and an-  
3           nually for the 3 years thereafter, the Working Group  
4           shall submit to the Secretary of the Treasury, the  
5           heads of each agency represented in the Working  
6           Group pursuant to subsection (a)(2), and the appro-  
7           priate congressional committees a report containing  
8           the findings and determinations made by the Work-  
9           ing Group in the previous year and any legislative  
10          and regulatory proposals developed by the Working  
11          Group.

12          (2) FINAL REPORT.—Before the date on which  
13          the Working Group terminates under subsection  
14          (d)(1), the Working Group shall submit to the ap-  
15          propriate congressional committees a final report de-  
16          tailing the findings, recommendations, and activities  
17          of the Working Group.

18          (d) SUNSET.—

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

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

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

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

7 (3) **AUTHORITY TO WIND UP ACTIVITIES.**—The  
8 termination of the Working Group under paragraph  
9 (1) and the expiration of authorities under para-  
10 graph (2) shall not affect any research, proposals, or  
11 other related activities of the Working Group ongo-  
12 ing as of the date on which the Working Group ter-  
13 minates under paragraph (1). Such research, pro-  
14 posals, and other related activities may continue  
15 until their completion.

16 **SEC. 3. PREVENTING ROGUE AND FOREIGN ACTORS FROM**  
17 **EVADING SANCTIONS.**

18 (a) **REPORT AND STRATEGY WITH RESPECT TO DIG-**  
19 **ITAL ASSETS AND OTHER RELATED EMERGING TECH-**  
20 **NOLOGIES.**—

21 (1) **IN GENERAL.**—Not later than 180 days  
22 after the date of the enactment of this Act, the  
23 President, acting through the Secretary of the  
24 Treasury and in consultation with the head of each  
25 agency represented on the Independent Financial

1 Technology Working Group to Combat Terrorism  
2 and Illicit Financing pursuant to section 2(a)(2),  
3 shall submit to the appropriate congressional com-  
4 mittees a report that describes—

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

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

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

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

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

1 (i) in precompressed, easily  
2 downloadable versions, in all appropriate  
3 formats; and

4 (ii) in machine-readable format, if ap-  
5 plicable.

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

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

18 **SEC. 4. DEFINITIONS.**

19 In this Act:

20 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
21 TEES.—The term “appropriate congressional com-  
22 mittees” means—

23 (A) the Committee on Banking, Housing,  
24 and Urban Affairs, the Committee on Finance,  
25 the Committee on Foreign Relations, the Com-

1           committee on Homeland Security and Govern-  
2           mental Affairs, the Committee on the Judiciary,  
3           and the Select Committee on Intelligence of the  
4           Senate; and

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

11          (2) BLOCKCHAIN INTELLIGENCE COMPANY.—

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

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

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

23          (3) DIGITAL ASSET.—The term “digital asset”  
24          means any digital representation of value that is re-



1 corded on a cryptographically secured digital ledger  
2 or any similar technology.

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

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

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