

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 4763) TO PROVIDE FOR A SYSTEM OF REGULATION OF DIGITAL ASSETS BY THE COMMODITY FUTURES TRADING COMMISSION AND THE SECURITIES AND EXCHANGE COMMISSION, AND FOR OTHER PURPOSES; PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 5403) TO AMEND THE FEDERAL RESERVE ACT TO PROHIBIT THE FEDERAL RESERVE BANKS FROM OFFERING CERTAIN PRODUCTS OR SERVICES DIRECTLY TO AN INDIVIDUAL, TO PROHIBIT THE USE OF CENTRAL BANK DIGITAL CURRENCY FOR MONETARY POLICY, AND FOR OTHER PURPOSES; AND PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 192) TO PROHIBIT INDIVIDUALS WHO ARE NOT CITIZENS OF THE UNITED STATES FROM VOTING IN ELECTIONS IN THE DISTRICT OF COLUMBIA

MAY 21, 2024.—Referred to the House Calendar and ordered to be printed

Mrs. HOUCHIN, from the Committee on Rules,
submitted the following

R E P O R T

[To accompany H. Res. 1243]

The Committee on Rules, having had under consideration House Resolution 1243, by a record vote of 8 to 3, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 4763, the Financial Innovation and Technology for the 21st Century Act, under a structured rule. The resolution waives all points of order against consideration of the bill. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services or their respective designees. The resolution provides that in lieu of the amendments in the nature of a substitute recommended by the Committees on Agriculture and Financial Services now printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 118-33, modified by the amendment printed in part A of the report, shall be considered as adopted and the bill, as amended, shall be considered as read. The resolution waives all points of order against provisions in the bill, as amended. The resolution makes in order only those amendments printed in part B of the report. Each such amendment may be offered only in the order printed in the report, may be offered only

by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question. All points of order against the amendments printed in part B of the report are waived. The resolution provides for one motion to recommit. The resolution further provides for consideration of H.R. 5403, the CBDC Anti-Surveillance State Act, under a structured rule. The resolution waives all points of order against consideration of the bill. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services or their respective designees. The resolution provides that the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as adopted and the bill, as amended, shall be considered as read. The resolution waives all points of order against provisions in the bill, as amended. The resolution makes in order only those amendments printed in part C of the report. Each amendment made in order may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question. All points of order against the amendments printed in part C of the report are waived. The resolution provides for one motion to recommit. The resolution further provides for consideration of H.R. 192, to prohibit individuals who are not citizens of the United States from voting in elections in the District of Columbia, under a closed rule. The resolution waives all points of order against consideration of the bill. The resolution provides that the amendment in the nature of a substitute recommended by the Committee on Oversight and Accountability now printed in the bill shall be considered as adopted and the bill, as amended, shall be considered as read. The resolution waives all points of order against provisions in the bill, as amended. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Oversight and Accountability or their respective designees. The resolution provides for one motion to recommit.

EXPLANATION OF WAIVERS

The waiver of all points of order against consideration of H.R. 4763 includes:

—Clause 10 of rule XXI, which prohibits consideration of a measure if it has the net effect of increasing mandatory spending over the five-year or ten-year period.

—Clause 3(c)(6) of rule XIII, which requires the committee report on a bill or joint resolution to be considered pursuant to a special order of business reported by the Committee on Rules include i) a list of related committee and subcommittee hearings; and ii) a designation of at least one committee hearing that was used to develop or consider such measure.

The waiver of all points of order against provisions in H.R. 4763, as amended, includes:

—Clause 5(a) of rule XXI, which prohibits a bill or joint resolution carrying a tax or tariff measure from being reported by a committee not having jurisdiction to report tax or tariff measures.

Although the resolution waives all points of order against the amendments printed in part B of the report, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against consideration of H.R. 5403, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against provisions in H.R. 5403, as amended, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against the amendments printed in part C of the report, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against consideration of H.R. 192, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against provisions in H.R. 192, as amended, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 228

Motion by Ms. Leger Fernandez to amend the rule to make in order amendments #13, #14, and #15 to H.R. 4763, each offered by Representative Casten. Amendment #13 places a two-year moratorium to prohibit financial institutions from transacting with incoming funds that have been routed through digital asset mixers and outgoing funds routed directly to digital asset mixers and directs the Treasury Department to conduct a study on the illicit uses of digital asset mixers, privacy coins, and other anonymity-enhancing technologies; amendment #14 directs the Treasury Department to conduct a study on the illicit uses of digital asset mixers, privacy coins, and other anonymity-enhancing technologies; and amendment #15 strikes Title II, which would create new opportunities for issuers, including non-crypto firms, to escape SEC registration requirements. Defeated: 3–8

Majority Members	Vote	Minority Members	Vote
Mr. Reschenthaler	Nay	Mr. McGovern	Yea
Mrs. Fischbach	Nay	Ms. Scanlon	Yea
Mr. Massie	Mr. Neguse
Mr. Norman	Nay	Ms. Leger Fernandez	Yea
Mr. Roy	Nay		
Mrs. Houchin	Nay		
Mr. Langworthy	Nay		
Mr. Austin Scott	Nay		
Mr. Burgess, Chairman	Nay		

*Rules Committee record vote No. 229***Motion by Mrs. Houchin to report the rule. Adopted: 8–3**

Majority Members	Vote	Minority Members	Vote
Mr. Reschenthaler	Yea	Mr. McGovern	Nay
Mrs. Fischbach	Yea	Ms. Scanlon	Nay
Mr. Massie	Yea	Mr. Neguse	Nay
Mr. Norman	Yea	Ms. Leger Fernandez	Nay
Mr. Roy	Yea		
Mrs. Houchin	Yea		
Mr. Langworthy	Yea		
Mr. Austin Scott	Yea		
Mr. Burgess, Chairman	Yea		

SUMMARY OF THE AMENDMENT TO H.R. 4763 IN PART A CONSIDERED
AS ADOPTED

1. Thompson (PA): Requires fees during the period when entities may file a notice of intent to register as a digital commodity exchange, broker, or dealer to be set by the appropriators.

SUMMARY OF THE AMENDMENTS TO H.R. 4763 IN PART B MADE IN
ORDER

1. Casar (TX): Changes the new crowdfunding exemption from \$75 million to \$5 million. \$5 million is the same as the current crowdfunding exemption. (10 minutes)

2. Pettersen (CO): Clarifies the application of the Bank Secrecy Act to digital asset and digital commodity entities and requires a GAO study on risks posed by centralized intermediaries that are primarily located in foreign jurisdictions without regulatory requirements similar to those of the Bank Secrecy Act. (10 minutes)

3. Norman (SC): Requires a study on the impact of digital asset registrants owned by foreign adversaries. (10 minutes)

4. Perry (PA): Adds a sense of Congress to the end of title V that nothing in this Act or any amendment made by this Act should be interpreted to authorize any entity to regulate any commodity, other than a digital commodity, on any spot market. (10 minutes)

SUMMARY OF THE AMENDMENTS TO H.R. 5403 IN PART C MADE IN
ORDER

1. Ogles (TN): Adds a sense of Congress that the Board of Governors of the Federal Reserve System and the Federal Open Market Committee should not be permitted to develop, create, or implement a central bank digital currency, or use any such tool to implement monetary policy. (10 minutes)

2. Mooney (WV), Norman (SC), Sessions (TX), Rose (TN), Davidson (OH), Duncan (SC), Brecheen (OK), Self (TX), Weber (TX), Ogles (TN): Prohibits the Federal Reserve's Central Bank Digital Currency (CBDC) pilot programs. (10 minutes)

3. Davidson (OH): Ensures the Federal Reserve Bank cannot design, build, develop, establish, or issue a CBDC. Ensures the Treasury Department cannot direct the Federal Reserve Bank to do any of the above actions. (10 minutes)

PART A—TEXT OF AMENDMENT TO H.R. 4763 CONSIDERED AS ADOPTED

Page 219, strike line 13.

Page 219, line 14, strike “(A)” and insert “(1)” and adjust the margin 2 ems to the left.

Page 219, strike line 22 and all that follows through page 222, line 11, and insert the following:

(2) AMOUNT.—The fees authorized under paragraph (1) may be collected and available for obligation only in the amounts provided in advance in an appropriation Act.

Page 222, line 12, strike “(4)” and insert “(2)”.

Page 224, line 7, strike “filing fees and annual”.

Page 224, line 10, strike “maximum amount determined under subsection (a)(2)(B)(ii)” and insert “amount provided under subsection (a)(2)”.

Page 224, strike line 16 and all that follows through page 225, line 6, and insert the following:

(e) DEPOSIT OF FEES INTO THE TREASURY.—All amounts collected under this section shall be credited to the currently applicable appropriation, account, or fund of the Commission as discretionary offsetting collections, and shall be available for the purposes authorized in subsection (f) only to the extent and in the amounts provided in advance in appropriations Acts.

(f) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise authorized to be appropriated to the Commission, there is authorized to be appropriated to the Commission amounts collected under this section to cover the costs the costs of carrying out the functions of the Commission under this Act.

Page 244, line 5, strike “The” and insert “Subject to the availability of funds, the”.

Page 247, line 25, strike “15H(c)” and insert “15I(a)”.

Page 248, line 1, strike “4v(c)” and insert “4v(a)”.

PART B—TEXT OF AMENDMENTS TO H.R. 4763 MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CASAR OF TEXAS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 68, line 11, strike “\$75,000,000” and insert “\$5,000,000”.

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PETTERSEN OF COLORADO OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

In title I, add at the end the following:

SEC. 112. APPLICATION OF THE BANK SECRECY ACT.

(a) IN GENERAL.—Section 5312 of title 31, United States Code, is amended—

(1) in subsection (a)(2)(G), by striking “or dealer” and inserting “, dealer, digital asset broker, digital asset dealer, or digital asset trading system”; and

(2) in subsection (c)(1)(A)—

(A) by inserting “digital commodity broker, digital commodity dealer,” after “futures commission merchant,”; and

(B) by inserting before the period the following: “and any digital commodity exchange registered, or required to register, under the Commodity Exchange Act which permits direct customer access”.

(b) GAO STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States, in consultation with the Secretary of the Treasury, shall conduct a study to—

(A) assess the risks posed by centralized intermediaries that are primarily located in foreign jurisdictions that provide services to U.S. persons without regulatory requirements that are substantially similar to the requirements of the Bank Secrecy Act; and

(B) provide any regulatory or legislative recommendations to address these risks under subparagraph (A).

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall issue a report to Congress containing all findings and determinations made in carrying out the study required under paragraph (1).

Page 105, strike lines 1 through 4.

Page 121, strike line 7 and all that follows through “Bank Secrecy Act.” on line 10.

Page 183, strike lines 14 through 17.

Page 215, strike line 6 and all that follows through “Bank Secrecy Act.” on line 9.

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE NORMAN OF SOUTH CAROLINA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title IV, add the following:

SEC. 414. STUDIES ON FOREIGN ADVERSARY PARTICIPATION.

(a) IN GENERAL.—The Secretary of the Treasury, in consultation with the Commodity Futures Trading Commission and the Securities and Exchange Commission, shall, not later than 1 year after date of the enactment of this section, conduct a study and submit a report to the relevant congressional committees that—

(1) identifies any digital asset registrants which are owned by governments of foreign adversaries;

(2) determines whether any governments of foreign adversaries are collecting personal data or trading data about United States persons in the digital asset markets; and

(3) evaluates whether any proprietary intellectual property of digital asset registrants is being misused or stolen by any governments of foreign adversaries.

(b) GAO STUDY AND REPORT.—

(1) IN GENERAL.—The Comptroller General shall, not later than 1 year after date of the enactment of this section, conduct a study and submit a report to the relevant congressional committees that—

(A) identifies any digital asset registrants which are owned by governments of foreign adversaries;

(B) determines whether any governments of foreign adversaries are collecting personal data or trading data about United States persons in the digital asset markets; and

(C) evaluates whether any proprietary intellectual property of digital asset registrants is being misused or stolen by any governments of foreign adversaries.

(c) DEFINITIONS.—In this section:

(1) DIGITAL ASSET REGISTRANT.—The term “digital asset registrant” means any person required to register as a digital asset trading system, digital asset broker, digital asset dealer, digital commodity exchange, digital commodity broker, or digital commodity dealer under this Act.

(2) FOREIGN ADVERSARIES.—The term “foreign adversaries” means the foreign governments and foreign non-government persons determined by the Secretary of Commerce to be foreign adversaries under section 7.4(a) of title 15, Code of Federal Regulations.

(3) RELEVANT CONGRESSIONAL COMMITTEES.—The term “relevant congressional committees” means—

(A) the Committees on Financial Services and Agriculture of the House of Representatives; and

(B) the Committees on Banking, Housing, and Urban Affairs and Agriculture, Nutrition, and Forestry of the Senate.

4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PERRY OF PENNSYLVANIA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title V, add the following:

SEC. ____ . SENSE OF THE CONGRESS.

It is the sense of the Congress that nothing in this Act or any amendment made by this Act should be interpreted to authorize any entity to regulate any commodity, other than a digital commodity, on any spot market.

PART C—TEXT OF AMENDMENTS TO H.R. 5403 MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE OGLES OF TENNESSEE OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following:

SEC. 7. SENSE OF CONGRESS.

It is the sense of Congress that the Board of Governors of the Federal Reserve System should not be permitted to develop, create, or implement a central bank digital currency, or use any such tool to implement monetary policy.

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MOONEY OF WEST VIRGINIA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following:

SEC. 7. PROHIBITION ON CENTRAL BANK DIGITAL CURRENCY TESTING.

Section 16A of the Federal Reserve Act, as added by section 5, is amended by adding at the end the following:

“(C) PROHIBITION ON CENTRAL BANK DIGITAL CURRENCY TESTING.—Unless authorized by an Act of Congress enacted after the date of the enactment of this Act, the Board of Governors of the Federal Reserve System and the Federal reserve banks may not establish, carry out, or approve a program intended to test the practicability of issuing a central bank digital currency, including by

partnering or coordinating with a private sector entity to carry out such a program.”.

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE DAVIDSON
OF OHIO OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 5, line 10, insert “design, build, develop, establish, or” before “issue”.

Page 5, line 22, insert “design, build, develop, establish, or” before “issue”.