controls focused on fiat currency and
digital asset transaction monitoring and
customer identification information to
more effectively identify, mitigate, and
report illicit finance risks?

E. Central Bank Digital Currencies
(CBDC)

1. How can Treasury most effectively
support the incorporation of AML/CFT
controls into a potential U.S. CBDC
design?

IV. Notes

The term “digital asset” refers to all
CBDCs, regardless of the technology
used, and to other representations of
value, financial assets and instruments,
claims that are used to make
payments or investments, or to transmit
or exchange funds or the equivalent
thereof, that are issued or represented in
digital form through the use of
distributed ledger technology. Some
effects of digital assets include
cryptocurrencies, stablecoins, and
CBDCs. Regardless of the label used, a
digital asset may be, among other things,
a security, a commodity, a derivative, or
other financial product. Digital assets
may be exchanged across digital asset
trading platforms, including centralized
and decentralized finance platforms, or
through peer-to-peer technologies.2

The term “virtual asset” refers to a
subset of digital assets that does not
include CBDCs or representations of
other financial assets, such as digitized
representations of existing securities or
deposits.

The term “virtual asset service
provider” as defined by FATF, means
any natural or legal person who is not
covered elsewhere under the FATF
Recommendations, and as a business
conducts one or more of the following
activities or operations for or on behalf
of another natural or legal person:

i. exchange between virtual assets and
fiat currencies;

ii. exchange between one or more forms of virtual assets;

iii. transfer of virtual assets;

iv. safekeeping and/or administration of virtual assets or instruments enabling
control over virtual assets; and

v. participation in and provision of financial services related to an issuer’s
offer and/or sale of a virtual asset.

Scott Rembrandt,
Deputy Assistant Secretary, Office of Terrorist
Financing and Financial Crimes, U.S.
Department of the Treasury.

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1 SEDI-owned businesses are defined and
described in SEDI guidance. See State Small
Business Credit Initiative Technical Assistance
Grant Program Guidelines, https://
home.treasury.gov/system/files/136/SSBCI-
State Small Business Credit Initiative Capital
Program Policy Guidelines, https://
home.treasury.gov/system/files/256/SSBCI-Capital-

2 ARPA, Public Law 117–2, sec. 3301, codified at
12 U.S.C. 5701 et seq. SSBCI was originally
established in title III of the Small Business Jobs
Act of 2010. Information about SSBCI is available at:
https://home.treasury.gov/policy-issues/small-
business-programs/state-small-business-credit-
initiative-ssbci.

3 12 U.S.C. 5708(e).
other jurisdiction or Federal programs that support small businesses.

- **TA funding to TA providers:** Treasury may contract with legal, accounting, and financial advisory firms (with priority given to SEDI-owned businesses), to provide TA to SEDI-owned businesses applying to SSBCI capital programs and other jurisdiction or Federal programs that support small businesses.

  Treasury previously allocated $200 of the $500 million in TA funding to an SSBCI TA Grant Program to support jurisdictions’ TA plans and $100 million to the MBDA. This RFI relates specifically to how Treasury might allocate additional funding to jurisdictions or contract with TA providers.

  How to Comment: This RFI is for information and planning purposes only and should not be construed as a solicitation or as an obligation on the part of Treasury. We ask respondents to address the Key Questions listed below. You do not need to address every question and should focus on those where you have views or relevant expertise. Please clearly indicate which questions you are addressing in your response. You may provide detailed suggestions and examples. All comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. You should only submit information that you wish to make publicly available.

  **Guidance for Submitting Documents:** We ask that each respondent include their name, organization (if applicable), and email addresses.

  **Key Questions:**

  1. **Gaps in TA to small businesses.** What gaps exist in the types and availability of TA to small businesses that seek small business financing? In particular, Treasury is considering the following gaps:
     - across the business life cycle—seed, early stage, intermediate, and established;
     - across the capital continuum between debt and venture capital/equity financing;
     - across different industries (for example, do small manufacturing businesses face different hurdles than small businesses in other industries?); and
     - across different geographies and regions.

  2. **Most effective method to deploy TA funding.** How can the deployment of TA funding under 12 U.S.C. 5708(e)(1) and (3) most effectively impact VSBs and SEDI-owned businesses in communities throughout the United States?

  3. **Considerations for a competitive TA grant program.** If Treasury conducted a program to provide competitive grants to jurisdictions, in addition to the existing pre-allocated SSBCI TA Grant Program, what criteria should Treasury consider in selecting recipients and sizing awards?

  4. **Considerations for contracting.** If Treasury contracted with legal, accounting, and financial advisory firms to provide TA to qualifying SEDI-owned businesses under 12 U.S.C. 5708(e)(3), what types of entities are best positioned to provide TA to address gaps in TA availability? Please provide specific examples.

  5. **Leveraging TA funding.** How could the Federal TA funding crowd in and leverage private, nonprofit, and philanthropic funds for the same purposes? Are there existing private sector, nonprofit, and philanthropic funded TA services for VSBs and SEDI-owned businesses and how could Treasury’s efforts leverage that funding?

  6. **Other comments.** Do you have any other comments on any aspect of the deployment of the TA funding under 12 U.S.C. 5708(e)(1) and (3)?

  **Jeffrey Stout,**
  Director, SSBCI.

  [FR Doc. 2022–20326 Filed 9–19–22; 8:45 am]